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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
5 Regular Meeting
6 Monday, June 20, 2011
7 8:30 a.m.
8 Airport Terminal Conference Room
9 1877 Airport Loop Road
10 Kerrville, Texas
11

12 MEMBERS PRESENT: MEMBERS ABSENT:
Stephen King, President Fred Vogt
13 Tom Moser, Vice President
Mark Cowden
14 Corey Walters

15 AIRPORT BOARD STAFF PRESENT:
16 Bruce McKenzie, Airport Manager
Laurie DeJohn-Ermey, Executive Assistant
17 COUNTY STAFF PRESENT:
18 Guy Overby, Commissioner Pct. 2
Jeannie Hargis, Auditor
19 Rob Henneke, County Attorney

20 CITY STAFF PRESENT:
Mike Erwin, Finance Director
21

22 VISITORS:

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24
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1 I N D E X
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2 PAGE

3 CALLED TO ORDER

4 1. VISITORS FORUM 3
5 2. DISCUSSION AND POSSIBLE ACTION:
6 2A Monthly Financials 3
7 2C FY 2012 Budget 12
8 2B Interlocal Agreement 24
9 2D Mooney Environmental 97
10 2E Airport of the Year Logo & Banner 105

11 3. INFORMATION AND DISCUSSION:

12 3A Phase II Construction Update 107
13 4. EXECUTIVE SESSION ---

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1 On Monday, June 20, 2011, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

6 P R O C E E D I N G S

7 MR. KING: All right. I'll call this meeting to
8 order of the Kerr County -- Kerrville/Kerr County Joint
9 Airport Board, Monday, June 20th, 2011. Visitors forum. At
10 this time, any person with business not scheduled on the
11 agenda may speak to the board. No deliberation or action may
12 be taken on these items because the Open Meetings Act
13 requires it to be posted for 72 hours. Visitors are asked to
14 limit their presentations to three minutes. Anyone have
15 anything they'd like to say? Nope. Nothing being heard,
16 we'll move to Item 2, discussion and possible action.
17 Monthly financials. Jeannie?

18 MS. HARGIS: I think y'all have a copy of them.

19 MR. MOSER: We do.

20 MS. HARRIS: Total amount of cash as of May 31st,
21 \$240,879.14. Liabilities, 53,723, leaving you a fund
22 balance -- current fund balance of 187,156.14, for a total of
23 240,879.14. On the revenue side, the total amount of
24 receipts entering, 2,172.78. We have deposited another
25 60,000 from the County, but it's not reflected here. It

1 ended up being as of June 1st.

2 MR. MOSER: Hey, Jeannie, on your Page 1, or Page
3 3, on revenue, intergovernmental revenue, --

4 MS. HARGIS: Yes, sir.

5 MR. MOSER: -- City, 210,000. That's capital
6 stuff, right?

7 MS. HARGIS: Remember I told you I made a mistake
8 on the way that I did this?

9 MR. MOSER: Oh, I'm sorry. I didn't remember that.

10 MS. HARGIS: And so we reversed that off. As you
11 see in the second column, it's in the same amount, the 306.
12 And we had too much budgeted, as you recall. I had
13 over-budgeted. I explained that -- I think in April is when
14 I made that change.

15 MR. MOSER: Okay. Maybe you did; I got a short
16 memory. But 210,000 from City is capital stuff, right?

17 MS. HARGIS: No, it was a -- it was originally the
18 contract, and we had added too much in for the contract, and
19 it should have been City of Kerrville. So, when I reversed
20 it, you told me to change it and put it all in one. We
21 dropped that one line.

22 MR. MOSER: Okay.

23 MS. HARGIS: That ended up -- I just need to change
24 the title, make it Kerr County; it will be fine.

25 MR. MOSER: Okay, good deal.

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1 MS. HARGIS: But that -- that we put too much
2 revenue in there. Remember we kept showing 86,000 too much?

3 MR. MOSER: Mm-hmm.

4 MS. HARGIS: So we had over-budgeted the revenue,
5 so we had to fix that.

6 MR. MOSER: Okay, thank you.

7 MS. HARGIS: The second page is, again, the
8 salaries. And I did make a mistake here as well. I don't
9 know what I was thinking. I was trying to show y'all your
10 staff, but it shouldn't be shown on your financials; it
11 should be shown on mine. So, that has been taken out, as

12 reflected in your budget. So, the only -- the only amounts
13 that are going to be showing in here from now on are -- are
14 the salaries for the Airport Manager and the office person.

15 MR. MOSER: Okay, cool. That was another question.

16 MR. KING: And you changed that deal on the budget?

17 MS. HARGIS: And our budget is correct, yes.

18 MR. KING: About Laurie's --

19 MS. HARGIS: Yes, Laurie's salary in the budget

20 was -- and I had a staff member do that. I take full

21 responsibility. They put in the full-time, because that's

22 what came over.

23 MR. KING: I got that. Mike, didn't y'all get that

24 too?

25 MR. ERWIN: Yes.

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1 MS. HARGIS: And we changed it to 30 hours. I
2 think you saw that revised. I think I made a note to all of
3 you on that as well.

4 MR. MOSER: Okay.

5 MS. HARGIS: On Page 5, the totals are there by
6 category. Total on Page 6 for all those categories is
7 227,883.71. On the last page, you have the terminal
8 expenses, which is your power and light. Total of 9,309.55.
9 Total expenses 327,236.40. It does show a deficit. Again,
10 we did transfer in 60,000 on June 1st.

11 MR. MOSER: And so that's that \$25,000 deficit?

12 Okay, got you.

13 MS. HARGIS: The next page is your capital
14 expenditures. I'm still working on the trial balance with
15 the auditor, but we have cash in there of 195,486.31. The
16 RAMP grant that's shown there is a liability for last year.
17 That needs to be reversed off. That is a correct number,
18 because we had actually had a deficit there that we had. So,
19 after -- I have to reverse that off. I have a problem with
20 the auditor's balance sheet and mine, and I -- I have
21 e-mailed him; we've got to get together on the -- from the
22 conversion from us to the city, because all we got was a
23 block of money, and so when I set the books up, that's the

24 way they were set up. So, we're working with him on that.
25 The total amount on the -- as far as revenue is concerned on

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1 the capital is 31,072.30. I'm waiting for you to distribute
2 that 13,000 each that we have in the overage on the water
3 line to both the City and the County, and then I'll add our
4 match to that, which will give our 25,000 for the year. On
5 Page 11, that reflects water line, which is 306,916.19, and
6 39,000 in the RAMP grant that we spent so far this year. On
7 the Page 12, again, 306,916.19. It does show a deficit, but
8 remember, the revenue for this came in the prior year, so
9 that's the reason why you're using fund balance.

10 MR. MOSER: Okay.

11 MS. HARGIS: Your revenue came in one year, and
12 your expenses the other. On your breakdown of capital items,
13 it really hasn't changed very much on that. We haven't
14 really spent any capital money in a long time, so that should
15 be the same. You have the TexDOT project category listing
16 there as well. I'm having prepared for you a list of all of
17 the assets that belong to the airport. They won't show up on
18 your financial statements, because you are like a subsidiary
19 of the City and the County. The assets belong to the City
20 and the County, and therefore show up on their books, and not
21 on yours. But in order that you can know what you're taking
22 care of, we're going to make a table that's very similar to
23 what they do in an audit; you'll have a list of assets at the
24 beginning of the year, any additions or deletions that we
25 take off, and -- and we'll show you the depreciation.

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1 MR. MOSER: Okay.
2 MS. HARGIS: So that you'll know exactly what those
3 are.
4 MR. MOSER: Good.
5 MS. HARGIS: And when I told on you Friday that it
6 should be half on ours and half on theirs, apparently they're
7 showing the whole thing on both audits. So, the seven
8 million, nine --

9 MR. COWDEN: Oh, seven is all of it?
10 MS. HARGIS: Seven is all of it. As I told Mark
11 this morning, I'm not sure he's got the -- this project on
12 yet, because -- because it's still construction in progress,
13 and usually those assets are not added until after they're
14 accepted and completed.

15 MR. MOSER: Now, which one is that?
16 MS. HARGIS: The project you're currently working
17 on, and that'll be a huge addition onto your assets.

18 MR. MOSER: Yeah.
19 MS. HARGIS: So, there has been a lot of
20 depreciation. And then the building was left off in the
21 prior years. It's now been added, and so --

22 MR. COWDEN: Terminal building?
23 MS. HARGIS: Yeah.
24 MR. COWDEN: Okay.
25 MS. HARGIS: So we -- you know, our auditor picked

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1 that up when he did your financials, so those are included.
2 So, I need to be sure they balance. He just sent them to me
3 Friday after I left this meeting.

4 MR. MOSER: Okay, good.
5 MS. HARGIS: At least I got something from him.
6 MR. MOSER: That'll be useful.
7 MR. COWDEN: I think it will be good for the board
8 to look at that.

9 MS. HARGIS: Right. And that's all I have on the
10 financials. And I'll be glad to go over the changes on the
11 budget that I sent to you.

12 MR. KING: On the capital improvements, Bruce,
13 where are we on that taxiway project? I see there's 132,000
14 cash balance left.

15 MR. McKENZIE: That's right. We're completed with
16 that project. We're -- except we're going to do the
17 striping. But, I mean, the monies have gone out except for
18 the striping right at the end of it, so that should be to our
19 advantage. We'll get back whatever was left over. We'll get
20 that back, that we put into the funds, 'cause it was -- part

21 of it was a 95/5, and then part of that was stimulus-funded.

22 MR. KING: Who gets the stimulus money?

23 MR. McKENZIE: It's gone.

24 MR. KING: No, who gets it back?

25 MR. McKENZIE: It's spent.

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1 MR. KING: Whose 132,000 is it, City and County?

2 MR. McKENZIE: We put our money in it before we
3 started the project.

4 MR. KING: City and the County?

5 MR. McKENZIE: Yes, that's correct.

6 MR. KING: How much was the 5 percent that the City
7 and County put in?

8 MR. McKENZIE: It was close to 300,000, as I
9 recall.

10 MS. HARGIS: Yeah. We got back --

11 MR. KING: Bang for your buck there. You put 5
12 percent, and then they overbid the thing; they pay you too
13 much money, and then when they get your refund back, they
14 already spent all their money, right?

15 MR. COWDEN: Contractor deal.

16 MS. HARGIS: It takes them about four years to send
17 it back, too.

18 MR. KING: So, the City and the County will end up
19 actually putting in less than 5 percent on the deal.

20 MR. McKENZIE: That's correct, 'cause the bid came
21 in 40 percent less than we thought it was going to be.
22 Supposed to be a \$6.3 million; it went for 4.3.

23 MR. KING: We should bring that up to the City and
24 the County at one of the meetings, shouldn't we? You know,
25 just -- sometimes when you put in your 10 percent, it's not

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1 really 10 percent. That's 10 percent --

2 MR. McKENZIE: To start, initially.

3 MR. KING: -- put in, in addition. You know,
4 sometimes some of these projects --

5 MR. MOSER: Ante up.

6 MR. KING: -- ante up for 10 percent. Some of

7 these projects end up with a lot less --

8 MR. MCKENZIE: Surplus.

9 MR. KING: Sure.

10 MS. HARGIS: Remember, we got 5 percent back

11 already. We --

12 MR. KING: Yeah, I know.

13 MS. HARGIS: And so this is the five that we sent

14 up. The way TexDOT works, you send them the money up first,

15 then you match it, and then they go forward. So, that 132

16 has been there a long time. That was done at the City

17 when -- actually, when I was working for the City.

18 MR. COWDEN: Been sitting there a long time.

19 MR. KING: That's interesting. All right.

20 Anything -- anybody have anything else? How about on the --

21 MR. MOSER: No, financials is fine.

22 MR. KING: -- the budget changes? Are you okay

23 with those?

24 MR. MCKENZIE: We're going to go over those the

25 next two items down.

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1 MR. KING: Motion to approve these?

2 MR. MOSER: So moved.

3 MR. COWDEN: Second.

4 MR. KING: Mr. Moser and Mr. Cowden. Discussion?

5 None? All in favor?

6 (The motion carried by unanimous vote, 4-0.)

7 MR. KING: Unanimous. Item Number 2B -- do you

8 want to do the budget first? Do we want to look at the

9 amended budget since we got Jeannie talking to us?

10 MR. MOSER: Your choice.

11 MR. KING: Let's go to Item 2C under that budget

12 thing first, 'cause we're talking about budget already.

13 What -- what are we going to talk about on that? The

14 changes?

15 MS. HARGIS: Let's go to the changes, and then I've

16 got an e-mail here, and then I'll go over that. On Page 1 of

17 6, when I highlighted for each of you the 52,000 -- I don't

18 know if you have a color printer, but the 52,000 includes the
19 additional 5,300 for the new hangar, so that changed our
20 revenue. I put a note to the bottom for that.

21 MR. KING: Mm-hmm.

22 MS. HARGIS: Second page, when the original numbers
23 came over from Bruce, we inadvertently put the full-time
24 salary instead of 30 hours, so I had to adjust all those
25 numbers accordingly. And then the workman's comp, as I told

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1 you, we just got our premium, and that premium allows for
2 about \$150,000 one way or the other. Bruce is -- because of
3 his classification, he's very high. Laurie's not, but his
4 classification is high because he's working out on the
5 runway.

6 MR. KING: For workman's comp?

7 MS. HARGIS: Yeah, for Bruce. It's just -- it's
8 the category that he's in; they consider it high-risk.

9 The --

10 MR. KING: What's he doing? Driving around in the
11 pickup.

12 MR. COWDEN: Driving that pickup.

13 MS. HARGIS: I guess so.

14 MR. KING: Did you explain that to them really
15 well? You know, 'cause -- 'cause I have workman's comp; I
16 understand how they do it. You mention to them they're out
17 doing anything physical, it's a whole different deal, you
18 know. I mean --

19 MS. HARGIS: Well, TAC just has a category. We can
20 talk to them about it.

21 MR. KING: Be sure they realize he's not actually
22 driving a lawnmower.

23 MR. MOSER: He's a desk jockey.

24 MR. KING: He's a desk jockey who drives around in
25 a pickup.

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1 MS. HARGIS: I will talk to them about that.

2 MR. KING: I'm serious; there's a big difference

3 sometimes. I would just check on that, because they can --
4 if they tag you in a different deal, I know it's -- it can
5 be more -- more dollars.

6 MS. HARGIS: Our H.R. Director had handled that in
7 the past, so I'll -- but -- so I hadn't been involved, but I
8 will get involved.

9 MR. KING: Just bring the numbers back at the next
10 meeting, and I'd like to see what the workman's comp numbers
11 are on Laurie versus Bruce.

12 MS. HARGIS: Okay, certainly.

13 MR. KING: Okay, thank you.

14 MS. HARGIS: Professional. These -- the following
15 changes are all the changes that you -- you made at the
16 meeting. You changed the 10,000 to 7,500, as you recall.
17 You increased the next one. And we also increased the fuel
18 and oil supplies, as you recall. The next page, we increased
19 the light and power to 13. You reduced the contingency from
20 20 to 15. And then the last page, you increased the light
21 and power on that number as well. So, those are all your
22 changes. The result was a \$31,000 increase, primarily due to
23 the 5,000, and the decrease from 12.5 to 2,500, and the
24 decrease from \$35,000 salary to \$25,000 salary. So, that is
25 the correct ending balance. So, you can do one of two

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1 things, and that's up to the board. You can reduce the
2 contribution from the City and the County, or, because your
3 revenue does fluctuate -- you know, that's what we guess it's
4 going to be. We might not want to do that, because you may
5 not get that much revenue. That way you have a little bit of
6 play there. And that's totally up to the board, because,
7 again, a budget is an estimate. And I've noticed over --
8 looking at the revenue over a period of time, it does
9 fluctuate, and it's not -- and if -- you know, if somebody
10 moves out or anything of that nature, then you're not
11 necessarily going to collect. But you can see that it's kind
12 of fluctuated a lot, 106 to 110 to 103, then down to 94, then
13 102.

14 MR. MOSER: Which page are you on now?

15 MS. HARGIS: Page 1.
16 MR. MOSER: Yeah, I got you.
17 MS. HARGIS: So, your analysis there is really,
18 like, all over the board. So, the 108 is a good average, but
19 we know that the T-hangar leases are optional. You could --
20 and we decided you might go up on those, so that could
21 increase. But --
22 MR. KING: The fuel flowage fee looks like it's
23 going to be low. We're coming in low.
24 MR. McKENZIE: This year.
25 MR. KING: Coming in at 21; we budgeted 36 on it.

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1 Looks like we're going to come in at --
2 MS. HARGIS: Well, at eight months there, so --
3 MR. KING: So, it's basically two-thirds of it.
4 MR. McKENZIE: Going to come in about 65.
5 MS. HARGIS: It may come in -- probably about 28.
6 MR. KING: 28? We had 36 budgeted; it was 8,000
7 less.
8 MR. MOSER: Well, we also have the risk of what's
9 happening over at Mooney.
10 MR. KING: Yeah.
11 MR. MOSER: Which is --
12 MR. KING: On those leases, Bruce, do we have --
13 are there escalation clauses in any of those leases?
14 MS. HARGIS: Mm-hmm.
15 MR. McKENZIE: Yeah -- yes, sir. C.P.I.
16 MR. KING: C.P.I.?
17 MR. McKENZIE: Yes, sir.
18 MS. HARGIS: So, actually, they went down.
19 MR. KING: They went down .7 percent on our deal.
20 MR. MOSER: Bad question.
21 MR. KING: Yeah.
22 MS. HARGIS: Yeah, they did.
23 MR. KING: Bad lease.
24 MS. HARGIS: Some of them did go down.
25 MR. WALTERS: Are the lease terms month-to-month?

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1 Or are they --

2 MR. MCKENZIE: 33 years.

3 MR. WALTERS: No, the T-hangars.

4 MR. MCKENZIE: Talking about T-hangars, they renew
5 month to month.

6 MR. KING: On these -- what do we do on the other
7 leases, like Joey's and different people like -- what's his
8 name? Bass --

9 MR. MCKENZIE: The Bass brothers. Gulf States
10 Toyota.

11 MR. KING: Those guys all -- they've got the C.P.I.
12 increases?

13 MR. MCKENZIE: That's correct.

14 MS. HARGIS: And so since the C.P.I. did go down, a
15 lot of them -- when a lot of them renewed, which were in the
16 fall of the year, we had to take -- it wasn't a lot, but we
17 didn't go up; it went down. I mean we noticed that when we
18 started doing the contracts.

19 MR. KING: Why don't we look -- let's put down some
20 time to review that, and maybe -- there's no reason -- I
21 mean, we got -- we should have some sort of a mechanism for
22 increasing that other than the C.P.I. If you look at the
23 C.P.I. over the last 10, 15 years -- we have oil and gas
24 properties. We do it on our operating agreements.

25 MR. MOSER: What do we have to increase --

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1 MR. KING: The C.P.I.

2 MR. MOSER: And that's it?

3 MR. MCKENZIE: On the leases that have been done
4 previously, yes, sir.

5 MR. MOSER: And the leases are signed for?

6 MR. KING: Long-term.

7 MR. MCKENZIE: Twenty years, with two five-year
8 options.

9 MR. MOSER: But not -- not T-hangars. T-hangars
10 are --

11 MR. MCKENZIE: T-hangars are year-to-year.

12 MR. MOSER: Year-to-year.
13 MR. McKENZIE: Yes, sir.
14 MR. WALTERS: I thought you said they were
15 month-to-month.
16 MR. McKENZIE: They're -- well, they're annual.
17 Some people pay month-to-month, but it's an annul --
18 MS. HARGIS: Annual contract with a monthly pay-in.
19 MR. WALTERS: It's an annul obligation?
20 MR. McKENZIE: Yes, sir.
21 MS. HARGIS: So those we can change.
22 MR. KING: And what, increase those C.P.I. also?
23 MS. HARGIS: Mm-hmm.
24 MR. KING: What do we charge on T-hangars?
25 MR. McKENZIE: 250. It's not --

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1 MR. KING: Yeah, we discussed that, no increase
2 there.
3 MR. McKENZIE: That's correct.
4 MR. MOSER: So, when are those leases up?
5 MR. McKENZIE: They're spread all through the year.
6 MR. MOSER: All spread out?
7 MR. McKENZIE: Yes, sir, through a 12-month period
8 of time.
9 MR. MOSER: Before we renew any of them, we ought
10 to --
11 MR. KING: Let's put that on the next agenda.
12 Let's put that on the next agenda.
13 MR. WALTERS: Yeah. Can do you a schedule of the
14 tenants and when their leases expire?
15 MS. HARGIS: She has it already.
16 MS. DEJOHN-ERMEY: I have that.
17 MR. KING: Get -- Bruce, find out what New
18 Braunfels is paying. I know San Antonio's high. I'm trying
19 to think of somewhere else.
20 MR. McKENZIE: Fredericksburg, New Braunfels, San
21 Marcos.
22 MR. KING: Yeah, Fredericksburg. San Marcos, I
23 guess. New Braunfels and San Antonio. I mean, San Antonio

24 is an alley for us. Do we have any airplanes out of San

25 Antonio? Where are those -- those airplanes? Here?

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1 MR. MCKENZIE: Around this area, yes, sir.

2 MR. KING: Let's get those three and look at it.

3 Just -- I mean --

4 MR. MOSER: So, on Page 4, then, Jeannie, we were

5 at 9,000 posi revenue over at our workshop when we began.

6 Now we're at 31,000 based on all of our puts and takes --

7 MS. HARGIS: Mm-hmm.

8 MR. MOSER: -- that we have there?

9 MS. HARGIS: Mm-hmm.

10 MR. MOSER: The discussion is, leave it there or

11 make it go down. And based on the revenue fluctuation --

12 MR. COWDEN: Well, if we leave it there, we're

13 going to need to return some money. The County and City

14 match will be lower; is that right?

15 MS. HARGIS: Well, you have the option of returning

16 the money at the end of the year, you know, credit towards

17 RAMP grants or something like that at the end of the year, or

18 you reduce it now and take a chance. Because the only

19 problem is, like Mike and I talked earlier before the

20 meeting, we allocate at the beginning of the year. We don't

21 want to be hit, so we'd rather be hit a little high on the

22 beginning of the year and know what it's going to be, and

23 then let you refund it to us.

24 MR. MOSER: Otherwise, if we're short, to get a

25 response from the City and County leaves us in a lurch.

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1 MR. KING: I don't want to mess up Mike's budget

2 and your budget. I feel like --

3 MR. ERWIN: I appreciate that.

4 MR. WALTERS: I think we -- recommend we just leave

5 it at the 175/175.

6 MS. HARGIS: I think, because of the fluctuation in

7 -- and we don't really know, too. I mean, this is the second

8 year of our contract. But you don't know, with the

9 environmental thing, --

10 MR. KING: Yeah, right.

11 MS. HARGIS: -- what that could do. You already

12 have that money available. And --

13 MR. KING: And looks like to me we're going to get

14 you guys a refund on this project when it's through.

15 MS. HARGIS: Yes.

16 MR. KING: There's going to be a good -- a good

17 deal back. Through our stellar management, probably.

18 MR. MOSER: Well, I think -- I think, in summary,

19 the reduction from \$400,000 a year to \$350,000 a year, we

20 accept the challenge, okay? We accepted the challenge, laid

21 out a budget consistent with that, and have some flexibility

22 to operate within that. And so --

23 MR. KING: All right. We'll just do that, Jeannie.

24 We'll just leave it at the 175.

25 MS. HARGIS: Okay. Now, there is a note, Tom, in

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1 your e-mail about a note to the financials. Might I suggest

2 that you do a cover letter from the board?

3 MR. MOSER: Mm-hmm.

4 MS. HARGIS: That accompanies this.

5 MR. MOSER: Right.

6 MS. HARGIS: Which is the normal procedure for a

7 budget. You usually have a budget letter coming from the

8 president that says, "This is our budget, this is how we

9 formulated it, here's what it is. And, by the way, we might

10 have some undetermined expenses from Mooney." And that way,

11 you have it documented, and it goes with it.

12 MR. MOSER: And I think, seriously, to say that we

13 start off with 350,000 versus -- it's been operating at

14 400,000 revenue, and we accept the challenge.

15 MR. KING: Okay, we can do that. Well just write a

16 cover letter also.

17 MR. COWDEN: Take the notes off the bottom.

18 MR. MOSER: Yeah, just take all those yellows out

19 of there.

20 MS. HARGIS: Yeah, those were just for y'all.

21 We'll take those off and send a clean copy. And then, as far
22 as four is concerned, I don't think we sent the budget to the
23 City; we just sent it to Mike, because he was here that day
24 and had the right to receive a copy.

25 MR. KING: Right. Right, okay. Any questions from

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1 our owners?

2 MR. ERWIN: I'll wait till we get the whole packet
3 before I move it up the line to Todd --

4 MR. KING: That's fine.

5 MR. ERWIN: -- and Council with the cover letter.

6 MR. KING: And if Todd has a question, would you
7 please have him contact Bruce or myself?

8 MR. ERWIN: I will.

9 MR. KING: Before it gets -- I'd rather the train
10 not get too far down the track.

11 MR. ERWIN: I will.

12 MS. HARGIS: Steve, a suggestion was made; we
13 probably need to reapprove the amended budget.

14 MR. KING: Okay. Okay, we'll do that. Okay.

15 Motion to approve this -- this -- motion to approve the --
16 the amended budget?

17 MR. MOSER: The budget.

18 MR. KING: The budget.

19 MR. MOSER: That's the budget. The other one was
20 just a draft. As currently written.

21 MR. WALTERS: Motion.

22 MR. KING: Corey made a motion?

23 MR. WALTERS: I made the motion.

24 MR. KING: Corey made the motion.

25 MR. COWDEN: Second.

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1 MR. KING: And second by Mr. Cowden. Discussion?

2 All in favor?

3 MR. MOSER: Aye.

4 (The motion carried by unanimous vote, 4-0.)

5 MR. KING: Budget is approved as written. Okay,

6 good. Cool.

7 MR. MOSER: Thanks, Jeannie and Bruce.

8 MR. MCKENZIE: You're welcome.

9 MR. KING: Thanks, everybody, on that. Let's go

10 back to 2B, the interlocal agreement. Bruce?

11 MR. MCKENZIE: I've attached a copy, and I've

12 attached also a blue-lined copy -- or red-line, whatever you

13 want to call it. It makes this a lot easier. The City has

14 made -- is recommending several changes, and I'm sure you've

15 had time to read over this and glean what's in it. And some

16 of -- I think that some of this should be discussed in this

17 meeting by the board. And I can go through this, or if you

18 gentlemen have read it and want to start, it's your pleasure.

19 MR. KING: Yeah. First I want to ask the owners,

20 Mike or -- or Guy, do y'all have any -- where are y'all at on

21 this deal? As I understand, the City is proposing -- City

22 has written the interlocal agreement.

23 MR. HENNEKE: Well, I can just briefly give a

24 history on this. Several months ago, the County -- I

25 drafted -- the Commissioners Court approved, and we've sent

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1 over a new draft of the airport agreement, which took the

2 existing language of the current agreement and just updated

3 it to remove some of the antiquated language that wasn't

4 applicable any more, such as hiring an airport manager or

5 constituting the board, setting up an account for funds. All

6 of those changes were approved by -- I guess approved by the

7 City, because all those changes were accepted and have been

8 incorporated in the draft that you gentlemen have. What

9 y'all have is what the City sent over, I guess, last week or

10 the week before, and the blue-line changes that you see are

11 the City's proposed changes, basically, to the existing

12 agreement. All of the original changes that I made earlier

13 this year were nonsubstantive, just updated some of the

14 language that didn't apply. So, the blue-line changes are

15 what the City has proposed be changed to the -- the

16 agreement.

17 MR. WALTERS: When you say the existing agreement,

18 that's the existing draft, or the existing, executed --
19 MR. HENNEKE: Well, the --
20 MR. WALTERS: Current -- or the current agreement?
21 MR. HENNEKE: It's one and the same. The original
22 draft that I sent over several months ago didn't make any
23 substantive changes to the existing agreement as it is now,
24 so for all intents and purposes, the City's proposed changes
25 are -- are proposed changes to the existing agreement as it

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1 currently functions and as it currently is.
2 MR. KING: So, as to the agreement that's not going
3 to be in effect any more, as --
4 MR. HENNEKE: As the agreement that y'all are
5 operating under.
6 MR. KING: Right, okay. That --
7 MR. HENNEKE: And are a board of right now. The
8 blue -- red-line changes are changes to that agreement.
9 MR. KING: Right. So, if we agree -- if we were in
10 agreement with the previous agreement, then the -- the things
11 in blue are the changes to that agreement?
12 MR. HENNEKE: Correct.
13 MR. KING: Okay. All right, good.
14 MR. HENNEKE: And as far as there's --
15 MR. KING: And where are y'all at? Where's the
16 County at on this deal?
17 MR. HENNEKE: My position -- the Commissioners
18 Court has not had an opportunity to meet and discuss the
19 City's proposed draft, but my position is that the
20 substantive changes, specifically those that would limit
21 y'all's opportunity to operate, are unnecessary; that the
22 agreement works very well as it currently is; there's no need
23 to change it, and that y'all should be able to continue to
24 have the autonomy to function and keep doing the great job
25 that y'all are doing. And we would -- I would; let me

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1 specify. I would disagree with any attempts to micromanage
2 y'all's operation or to, you know, prevent or put increased

3 oversight --
4 MR. KING: Right.
5 MR. HENNEKE: -- onto the operation of the board.
6 MR. KING: So, where there's a blue change with no
7 "deleted" outside, that's an addition. Where something's
8 been changed in blue and there's nothing outside to explain
9 it, that's an addition.
10 MR. HENNEKE: Correct.
11 MR. KING: And then where it says "deleted," and
12 that's a change, an actual change.
13 MR. HENNEKE: And that's a redaction.
14 MR. MOSER: The blues are actual changes, but there
15 were deletions.
16 MR. KING: Some of them were deletions; some of
17 them were just additions.
18 MR. MOSER: Like on Page 2, there's, "Both parties
19 must vote...," blah, blah, blah. But there --
20 MR. KING: That's a change.
21 MR. MOSER: A lot of other stuff was deleted.
22 MR. KING: That's a change.
23 MR. HENNEKE: That represents, just so we're clear,
24 where the City has --
25 MR. KING: Okay.

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1 MR. HENNEKE: -- deleted that provision --
2 MR. MOSER: Right.
3 MR. HENNEKE: -- and added a new sentence.
4 MR. KING: I understand.
5 MR. WALTERS: Does it make sense for us to make all
6 of our comments on something that the City and the County
7 have not yet really agreed on?
8 MR. HENNEKE: I think it's worthwhile for y'all to
9 register your input on that. I mean, what you basically have
10 is the existing agreement, and, you know, to my knowledge,
11 the County is -- well, throughout this process, the County
12 has never proposed any substantive changes to the existing
13 agreement. I think the position of the Commissioners Court
14 has been consistently the current agreement works fine.

15 Y'all are doing a great job. We just need to leave y'all
16 alone. So -- and I don't see that that position changes.
17 So, insofar as you have the County's position being the
18 existing agreement, and the City's position, I guess, being
19 the red-line -- blue-line changes in the document, I think
20 you can see where currently the two bodies --

21 MR. WALTERS: I mean, I think hearing our comments
22 are worthwhile, certainly, but I'm just wondering -- you
23 know, you -- I mean, you just admitted that you really
24 haven't had a chance to review or make your comments to the
25 agreement that the City -- the changes the City's requested,

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1 correct?

2 MR. HENNEKE: Well, the Commissioners Court hasn't
3 met since --

4 COMMISSIONER OVERBY: We haven't met, have not had
5 a chance to read that.

6 MR. HENNEKE: Our original -- what we originally
7 sent over to the City two months ago was substantively the
8 current agreement continuing as-is.

9 MR. MOSER: I think what he's saying is this thing
10 came over the transom and then they threw it over here and
11 said, you know, "We haven't considered this yet, but do you
12 guys have any comments before we deliberate?"

13 MR. KING: What -- I talked -- okay, I've talked to
14 Jonathan about this. Jonathan said there's going to be a
15 Commissioners Court meeting, and that we'll have some
16 representation there. Some questions will be asked of us at
17 the meeting. But they'll probably also -- at the same
18 meeting, they'll approve the thing.

19 MR. MOSER: Right.

20 MR. KING: They'll approve it. So, I think I told
21 Jonathan that we would review this thing, make some comments
22 on it. And I'm hopeful that whatever comments we made on it
23 will be passed on to the City and the County. I don't know
24 what the City's procedure is. Have the Council already
25 approved this?

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1 MR. ERWIN: Council has seen the agreement.

2 MR. KING: Have they seen this agreement with the
3 changes?

4 MR. ERWIN: Best of my understanding, they've seen
5 this agreement and given Todd approval to send it over to the
6 County.

7 MR. KING: Okay.

8 MR. ERWIN: And submitted it to them, yes.

9 MR. MOSER: These are basically the City's changes.

10 MR. KING: What is the -- sometimes there's Todd
11 changes, and, you know, sometimes -- I want to know, have
12 they been to the Council?

13 MR. ERWIN: They've been to the Council.

14 MR. KING: They've seen them in open session, at a
15 session? They've actually looked at it?

16 MR. ERWIN: And Council gave us direction to send
17 them to the County.

18 MR. KING: That's fine. That's what -- I want to
19 know what's y'all's --

20 MR. HENNEKE: Y'all sent them over before the
21 Council meeting, but Council has seen them, though.

22 MR. ERWIN: Yes. We sent them to y'all on the 27th
23 of May, if I remember correctly.

24 MR. KING: But they've seen them?

25 MR. ERWIN: They've seen them.

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1 MR. KING: Your next process -- what's your next
2 process, Mike? Are you going to -- if we have comments or
3 recommendations, are you going to take those and show them to
4 Todd? Or are we pretty much --

5 MR. ERWIN: No. If y'all have comments -- if y'all
6 have comments on this, and there's a letter that comes from
7 the board saying, "Here are our concerns," --

8 MR. KING: Yeah.

9 MR. ERWIN: -- then, yes, we'll give that to Todd,
10 and Todd will probably give that -- give that to Council.
11 MR. KING: Okay. I just -- I'd like to -- I mean,

12 the other two parties have got to get together on these
13 things and agree. We don't have a -- we don't have a say on
14 it, but the two parties that are going to agree on it are
15 affecting us, you know, and our operations. So, I just want
16 to -- I think maybe it would be good if you guys -- if we
17 give you a letter with our recommendations or our comments on
18 the thing, our comments on it, so that it can be working from
19 both ends. It can work from both ends, so the Commissioners
20 Court doesn't just, you know, throw -- basically throw it all
21 back to you, and it becomes a Commissioners Court/ --

22 MR. ERWIN: Right. And I think --

23 MR. KING: -- City deal, you know, like y'all do a
24 lot of times.

25 MR. ERWIN: And I think a letter from y'all would

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1 be much better than either one of us making notes and taking
2 it to our elected officials.

3 MR. KING: Okay, we can do that. We can do that.

4 That's fine, okay. Well, I'll start out on Number 3. I
5 think we can -- I can say that I can agree to that.

6 MR. MOSER: Yeah, that's okay.

7 MR. KING: On the condition the existence of the
8 board as "reconstituted" is deleted, I don't have a problem
9 there. I'll just bring each one of these up, and y'all can
10 kind of discuss it.

11 MR. MOSER: Sure.

12 MR. KING: Item (d), which is --

13 MR. COWDEN: (d)1.

14 MR. KING: -- 3(d)3 -- 3(d)1. This is the -- this
15 is the language in here wherein the City -- where the Airport
16 Board recommends a candidate to the City and the County for
17 approval. In the past, it's always been -- in the past, it
18 was that the City and County both have to agree on the member
19 that we are going to nominate, and then in the past, it was
20 if there was two ties, then the board broke the third tie
21 with a third candidate, not one of the two first
22 candidates -- well, first or second, but the third candidate.
23 The City's proposing that both parties must vote to appoint

24 each voting member. And I would say that my -- my thoughts

25 on that are -- are that I hate to enter any language into an

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1 agreement that does not have an ending mechanism, and there's
2 no ending mechanism to this. You guys could -- we could
3 nominate four guys to the City and the County, and everyone
4 could have a problem with them, and the fifth guy we might
5 have to go get down at the Salvation Army or something to get
6 on the board, 'cause we don't go that deep. We really just
7 don't go that deep on these nominations. We're trying to put
8 a board member on right now, and -- and, you know, it's -- I
9 can see it ending up with no board member. I mean, at some
10 point, I would just as soon not have a board member as I
11 would nominate someone else, the third, fifth -- or fourth or
12 fifth or sixth guy down the line. And, I mean, I just think
13 -- I just -- I don't see how you can have something that has
14 no mechanism -- when we get down to about the third guy, or
15 the -- you know, the third or fourth guy, you know, we have
16 to deal with these guys on a monthly basis. Everybody has to
17 get together and -- and agree to something. And you get down
18 pretty -- you keep going down here pretty far, and we're
19 going to be -- I'm going to make the thing -- anyway, I think
20 we just hold it open. Hold the position open. I'd just as
21 soon deal with the four guys I got. So, I mean, that's my --
22 my comment on that. There's no way to end the process. And
23 that's what we always had, was a way to end the process.

24 MR. MOSER: So, the recommendation is don't change?

25 MR. KING: We have qualifications for this

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1 position. There's certain qualifications that is set out in
2 this interlocal agreement for us to go by, and it's -- at
3 some point you run out of qualifications. So, my
4 recommendation on that one would be to either come up with a
5 new -- new system, if y'all can come up with a new system, or
6 leave it like it is. Anybody else have any comments?
7 MR. MOSER: I think leave it like it is, for the
8 reasons you said. But I think we -- in the letter, we need

9 to state the reasons that we would want to leave it like it

10 is.

11 MR. KING: Yeah -- sorry. (Cell phone rang.)

12 Somebody else talk quick. Anything -- anybody else got any

13 comments on it? Okay. Then we'll just leave -- recommend to

14 leave it like it is for those reasons. And I'll get together

15 with Bruce and we'll write a letter on this. Is somebody

16 taking good notes? Bruce, are you taking notes?

17 MR. McKENZIE: Yes, sir.

18 MR. KING: All right. Number 5. Board members are

19 prohibited from serving more than three consecutive terms --

20 two-year terms. I don't know what it used to be.

21 MR. MOSER: There was no limit.

22 MR. McKENZIE: No limit.

23 MR. KING: How does that compare to other boards

24 y'all have, let's say, with the appraisal board or something

25 like that? Or with the county -- isn't that -- the County

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1 appoints that?

2 MR. MOSER: This is a City-proposed change, so what

3 the does the City want to limit?

4 MR. ERWIN: I can't remember for all of them. I'd

5 have to go back and check.

6 MR. MOSER: So, I guess the question is, why -- and

7 I'm all for term limits, but what's the basis for this?

8 MS. BAILEY: I'll tell you, Tom, I know that

9 there --

10 MR. MOSER: No, let him answer that for me.

11 MR. ERWIN: As I said, I'm not sure what the City

12 does on other boards as far as term limits.

13 MR. MOSER: So, you don't know what the basis is?

14 COMMISSIONER OVERBY: E.I.C. is, like, two-year

15 terms, two consecutive terms --

16 MR. KING: Okay. E.I.C. --

17 COMMISSIONER OVERBY: -- or four years. Not sure

18 on the appraisal; I want to say this is in this kind of range

19 that we're talking about.

20 MR. KING: Yeah, okay.

21 COMMISSIONER OVERBY: I can't remember whether it's

22 three and two.

23 MR. KING: I think it's affected by the thing on

24 the first side over there. Who appoints that board?

25 MR. COWDEN: County. Doesn't the County appoint

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1 the Appraisal District board?

2 MS. HARGIS: No. No, that's elected by the -- the

3 taxpayers.

4 MR. KING: Oh, really?

5 MS. HARGIS: So much from the school, so much from

6 the County. We only get to vote on certain ones.

7 MR. KING: No term limiting there.

8 MR. MOSER: I'm sorry, Ilse. You had something --

9 MS. BAILEY: I was going to say when I worked with

10 the City, I know there were several -- several boards that

11 had that kind of limitation, so it's not unusual. I have

12 been told that the reason is for volunteer boards; it's more

13 to encourage people to serve so they don't think that they're

14 going to be stuck on it for the rest of their lives.

15 MR. MOSER: I see. Okay.

16 MR. KING: Well, like I say, I don't have a -- I'm

17 not saying I have a problem with it. I don't want to serve

18 on this thing forever, to be honest with you. Or maybe at

19 all. But it does kind of affect that, if you look at -- go

20 back to Item Number 1 where it talks about if you don't --

21 guys don't come up with -- if you don't approve any other

22 candidates, we can talk the other guy into serving. We can

23 talk him into continuing to serve, like Fred; we could have

24 got him to continue to serve under that other deal if we

25 really talked to him, begged him. So, they're kind of tied

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1 together a little bit. But if we can get some reasoning, if

2 the reasoning -- if the reasoning is that they want to make

3 it consistent with the rest of the city boards, then that's

4 fine with me.

5 COMMISSIONER OVERBY: Is there any -- question. Is

6 there anything in the -- I guess the question is -- only
7 thing I'm concerned about is staggering, some of those
8 limitations going on.

9 MR. KING: They used to be. They were --

10 COMMISSIONER OVERBY: 'Cause I'm very concerned
11 about having -- say if we have you guys -- all of you have a
12 lot of aviation knowledge and experience. We can roll three
13 guys off as their terms are all expiring at the same time.

14 MR. KING: They could, you're right.

15 COMMISSIONER OVERBY: Major issue.

16 MR. KING: As I understand, reading this agreement,
17 Mike, at the first part of this thing, it says they reappoint
18 all the board members; it starts over. It starts over every
19 time they redo this system, right?

20 MR. ERWIN: That's what it says, yes.

21 MR. KING: I mean, how many -- I mean, if -- where
22 does your term start? When does your first term start? I
23 mean --

24 MR. MOSER: When does the meter start running?

25 MR. KING: Like, two or three different kind of

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1 boards. I mean, I guess I need some clarification as to
2 where we are right now. How many terms have I served? I
3 don't know. I was on a board that -- I think I was appointed
4 to the -- originally by the --

5 MR. MOSER: Which board?

6 MR. KING: Which board? That one was dissolved; it
7 was no longer a board any more, and then it got reconstituted
8 as another board. So, when they say they're re -- each board
9 member shall be -- I think somewhere it says that they were
10 dissolving the old interlocal agreement and coming up with a
11 new one, and it says that everybody got reappointed at the
12 same time, basically.

13 MR. HENNEKE: Yeah, 3(a).

14 MR. KING: 3(a)? See, it says, "The current board
15 members as of September 30th, 2011, are hereby reappointed by
16 the parties to serve the remainder of their term of
17 office..." Okay, that's the remainder of their term of

18 office. So, there is some sort of staggered deal still,

19 right?

20 MR. MCKENZIE: Yes, every two years.

21 MR. KING: Okay. Why don't you come up -- do we

22 have a piece of paper?

23 MR. MCKENZIE: It's staggered right now, yes, sir.

24 It's staggered.

25 MR. KING: I think you're okay there; I think it

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1 still is staggered.

2 COMMISSIONER OVERBY: So, the language is there for

3 staggered?

4 MR. KING: It's in the -- it was originally when we

5 constituted this.

6 COMMISSIONER OVERBY: Right.

7 MR. KING: Okay. All right.

8 MR. MCKENZIE: Steve, clarify that more. We're

9 going to leave it where there's no problem --

10 MR. MOSER: We say it's okay if it's consistent

11 with other boards.

12 MR. KING: Other boards, yes.

13 MR. MCKENZIE: Even though this is a specialized

14 board, like the board we've got now?

15 MR. KING: I'm going to let the County take over

16 that, and let them complain about it. I mean. I don't -- I

17 hate to -- I hate to be voting -- I hate to be giving

18 recommendations on something that we know is extending our

19 term, basically. I don't want to -- I don't want to be

20 recommending that I get to serve on this thing forever. I

21 might be going off -- this might be my last term.

22 (Laughter.) So I don't know. I think -- that's my opinion.

23 MR. MOSER: I agree with you.

24 MR. KING: I'll let the County -- I do think it's a

25 problem. I think it's a different situation when you have a

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1 little more specialized board members. And there is a -- I

2 guess the County and the City have the option -- if I come up

3 for renewal and they don't want me on the board, they can --
4 it says in here that anyone you appoint, you can knock
5 somebody off the board. There's language to take someone off
6 the board.

7 MR. COWDEN: Maybe we need to add that somebody
8 could go off the board for one term and then come back on the
9 board.

10 MR. KING: Yeah, we could do that.

11 MR. MOSER: One other question. Mike, is there any
12 other board in the city that has the same responsibilities as
13 the Airport Board?

14 MR. ERWIN: The E.I.C. Board manages \$2.5 million
15 worth of funds.

16 MR. KING: And the County has final approval on any
17 decision they make?

18 MR. ERWIN: No.

19 MR. KING: The City does.

20 MR. ERWIN: Yeah. The E.I.C., the City does.

21 Unless it's in the county, and then it also has to be --

22 MR. KING: Still a City-approved board. I would
23 say KPUB would probably be the closest, the way KPUB's run,
24 'cause KPUB has ultimate -- they actually have taxing and
25 bonding authority.

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1 MR. MOSER: That's a good analogy.

2 MR. KING: They have taxing and bonding authority
3 also that we do not have, but I would say that KPUB would
4 probably be the closest. I don't know what their terms are,
5 or whether that's elected or that's appointed.

6 COMMISSIONER OVERBY: They're appointed.

7 MR. KING: What's their terms?

8 MR. ERWIN: Isn't it five years, twice?

9 COMMISSIONER OVERBY: I think it is five years, two
10 times.

11 MR. KING: Five years, two times; 10 years. That's
12 a fairly specialized board too, isn't it?

13 MR. MOSER: Yeah, it is.

14 MR. KING: Okay. All right.

15 MR. MOSER: Because there's wrecks and safety and
16 finances and everything involved.

17 MR. KING: Okay. All right. All right, that's a
18 good -- that's good to look at. All right. The next one was
19 Item 5.

20 MR. MOSER: No, go down to the deletion on
21 compensation.

22 MR. KING: Oh. "Service on the board is without
23 compensation."

24 MR. MOSER: That says you can't be reimbursed for
25 expenses?

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1 MR. MCKENZIE: That's correct, that's what it says.

2 MR. MOSER: Why would that be in there?

3 MR. KING: I don't know. Does anybody --

4 MR. MOSER: We just went to the TexDOT aviation
5 conference. Are we supposed to --

6 MR. HENNEKE: You get your mileage?

7 MR. MOSER: Yeah.

8 MR. ERWIN: This is the City's submission. I --

9 I'm telling you, I pay for my own travel/training. For the
10 most part, the City doesn't pay for mine; I pay for my own.

11 MR. KING: Has anybody ever asked for compensation?

12 (Mr. McKenzie nodded.)

13 MR. KING: Really? No kidding.

14 MR. COWDEN: We've been missing out.

15 MR. KING: Never thought about that. Okay. Well,
16 I don't know. When does it come into play? Basically, when
17 you go to these conferences?

18 MS. DEJOHN-ERMEY: The mileage.

19 MR. MCKENZIE: Just mileage.

20 MR. KING: That's for board members only, right?

21 MR. MCKENZIE: Yes, sir.

22 MR. KING: Have you gotten compensation? Have you
23 asked for reimbursement?

24 MR. MOSER: I thought that was standard operational
25 procedure. I can give it back if it's an issue.

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1 MR. KING: Costs me, like, a grand to fly over
2 there.

3 MR. MOSER: There's a limit, 25 cents a mile. You
4 got that kind of airplane?

5 MR. WALTERS: You better drive. You're going to
6 lose too much --

7 MR. KING: Can't do that deal.

8 MR. WALTERS: -- if you fly, at 25 cents a mile.

9 MR. KING: I don't know. That's -- I think that
10 may fall into another category. I don't want to ask for that
11 deal.

12 MR. MOSER: Okay.

13 MR. KING: I mean, that looks like a -- a bad deal.
14 I don't -- I never asked for compensation. I don't know what
15 difference it makes to me. But if it is --

16 MR. MOSER: I was just curious why the change.

17 MR. KING: I'll agree with anything the County and
18 the City come up with on that.

19 MR. MOSER: I agree.

20 MR. WALTERS: I guess, just trying to be
21 consistent, if the City and County get reimbursed for
22 personal expenses for, you know, so-called, you know --

23 MR. MOSER: Out of pocket.

24 MR. WALTERS: -- out-of-pocket, then why -- why
25 should the board not get it?

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1 MR. HENNEKE: We don't have any problem with the
2 current language.

3 MR. WALTERS: So --

4 MR. DRANE: Steve, this may muddy up the water a
5 little, but the City chartered an airplane and sent three of
6 us to Fort Worth for an urgent meeting.

7 MR. KING: Yeah.

8 MR. DRANE: And the City paid for the airplane
9 charter. This was long ago.

10 MR. KING: Long time ago. Well, I mean, I don't --
11 I don't think it's been abused. I don't -- I didn't even

12 know it was there, personally. But I don't see -- I don't
13 see a need for the change, but I'm not going to pad my pocket
14 on the deal.

15 MR. WALTERS: Are city employees entitled to
16 reimbursement of personal expenses?

17 MR. ERWIN: City employees, yes, the ability to
18 request mileage if they make a trip or something.

19 MR. MOSER: That's what this is.

20 MR. WALTERS: That's what this is. Are county
21 employees entitled to reimbursement?

22 MR. HENNEKE: Sure.

23 MR. WALTERS: I think that we shouldn't --

24 MR. KING: What about --

25 MR. WALTERS: There shouldn't be any change.

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1 MR. KING: What about Jonathan, when he goes down
2 to those water meetings?

3 COMMISSIONER OVERBY: He's reimbursed for mileage.

4 MS. HARGIS: He can be. He -- he rarely -- he just
5 is different from the rest of them. He rarely does.

6 MR. WALTERS: I think it's a personal choice.

7 MR. KING: It's a personal choice. Well, sometimes
8 you get mileage for driving out to these meetings. And, I
9 mean, you know, stuff like that and everything, then that's
10 in the public record; someone's going to come forth and
11 hammer them over it.

12 MR. WALTERS: Sure.

13 MR. KING: But I don't see -- it looks like to me
14 there is not much there.

15 MR. MOSER: I'd say leave it alone.

16 MR. KING: We're going to leave it alone, now that
17 I've reconsidered it.

18 MR. MOSER: Okay.

19 MR. KING: I just -- I want everybody to be the
20 same.

21 MR. MOSER: Okay. And the reason being to be
22 consistent with the City and County --

23 MR. WALTERS: Policy.

24 MR. MOSER: -- policy, right.

25 MR. KING: Right.

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1 MS. HARGIS: And -- well, and also, if you get a
2 volunteer on the board, and then they need to pay for their
3 hotel and their transportation, it's not really fair for them
4 to be volunteering to be paying for that, I don't think.

5 MR. KING: It's up to the board member.

6 MR. MOSER: Okay.

7 MR. KING: Item -- is that still 3? 3(g)5, the
8 board shall have the responsibility and be in charge of
9 property, improvements, and other assets; the board shall be
10 in charge of disbursement of airport funds for airport
11 purposes, and pursuant to approved budget. I read that many
12 times; I don't know what it says. Do you know what it says,
13 Mike? What they're trying to say there?

14 MR. ERWIN: I think what we're looking at is, say
15 you have an approved budget that has dollars specified for
16 certain functions.

17 MR. KING: Mm-hmm.

18 MR. ERWIN: And some of this may go back to the use
19 of contingency funds for a small capital project last year.

20 MR. KING: Mm-hmm. So, basically, you're saying --

21 MR. MCKENZIE: So what?

22 MR. COWDEN: What was the small capital project?

23 MR. KING: Build a sign.

24 MR. COWDEN: Oh, the sign.

25 MR. KING: We built that sign.

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1 MS. DEJOHN-ERMEY: Are there specifics as to what

2 contingency can and can not be spent on?

3 MR. MOSER: It says you don't have the flex -- does

4 that preclude the line item -- moving things from one line

5 item to another?

6 MR. HENNEKE: That's discussed later.

7 MS. BAILEY: This didn't necessarily, but it is

8 later on.

9 MR. MOSER: So, what does this mean?
10 MR. ERWIN: What it means, to the best of my
11 understanding, is when the City and the County approve a
12 budget, we want it spent as approved.

13 MR. MOSER: What's that mean?
14 MR. ERWIN: That's what we're looking for.
15 MR. MOSER: As approved by line item?
16 MR. WALTERS: That's what is addressed later on.
17 MR. MOSER: But I'm interested --
18 MS. BAILEY: Unless you get permission from both
19 owners.

20 MR. MOSER: No. But, see, we've done that in the
21 past. We're running -- we're not spending as much on
22 utilities, and we see a need to increase for mowing, okay?
23 That says you can't -- you can't move from utilities to
24 mowing.

25 MS. BAILEY: That's correct.

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1 MR. WALTERS: That's addressed in 4(c).
2 MS. BAILEY: I think this also --
3 MR. MOSER: Yeah, but right here, all I'm saying is
4 what's it mean here? So, therefore, if we don't know what it
5 means, but if it's interpreted you can't move from one line
6 item to the other without getting approval by somebody, I
7 couldn't go -- I couldn't go along with that.

8 MR. KING: You could say the bottom line of the
9 budget, what part -- I think it's just ambiguous. It's very
10 ambiguous in that, "pursuant to the approved airport budget."
11 Well, the airport budget -- I mean, if you want to put down
12 for the purpose -- what it says in the next sentence,
13 pursuant to each line item of the airport budget, but the
14 airport budget -- let's say it's 355,000.

15 MR. WALTERS: You don't want to do that.
16 MR. KING: That's what I'm saying. I don't want to
17 put it in there, but I don't like to approve -- I don't like
18 stuff written in here that is so ambiguous and can be
19 interpreted in several different directions. That looks like
20 to me you can interpret this in a lot of different ways.

21 MR. WALTERS: I agree. That looks like it could be
22 construed as you approve this line item pursuant to the
23 budget, this had a line item of "X," and that's what you get,
24 and you can't go over that.

25 MR. MOSER: Right. Right. I couldn't --

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1 MS. BAILEY: That's either redundant or
2 unacceptable.
3 MR. MOSER: I couldn't go along with that.
4 MR. KING: I'm not going to go along with that.
5 MR. WALTERS: Unacceptable.
6 MR. MCKENZIE: Standard accounting procedure says
7 if we don't go over on our entire budget --

8 MS. HARGIS: The Local Government Code addresses
9 both cities and counties a little differently. Counties have
10 to go to the Commissioners Court for approval of moving from
11 line to line, whereas the City has the City Manager's
12 approval to go from line to line, so there is a provision in
13 the Local Government Code to do that kind of thing. So to
14 ask you not to, because airports are included in the Local
15 Government Code, would not be, I think, consistent with --

16 MR. MOSER: I guess the City Manager has the
17 flexibility, but we don't have the flexibility to plan the
18 budget. That's what that says, Mike. Or it could be
19 interpreted that way.

20 MR. ERWIN: Okay. If you have a concern, I'd
21 recommend putting it in the letter.

22 MR. MOSER: Okay.

23 MR. KING: We'll put that in the letter.

24 MR. MOSER: Take it out, because it's too
25 restrictive.

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1 MR. KING: Okay. The next one, I think, is just a
2 deleted date.
3 MS. HARGIS: Yeah, that's good.
4 MR. KING: That's okay. We don't have a problem
5 with that.

6 MR. ERWIN: Shouldn't there be a date put in it,
7 though?
8 MS. HARGIS: If we put a date in, though, Mike, I
9 mean, I would think -- normally, I think the max would be 180
10 days, so that it should be in there by -- I think he would
11 like to have it in there by March 31st. But that means that
12 the auditors are committed to a certain date, and just make
13 sure you get it on time. There's really nothing in the code,
14 except that the City -- well, the City and the County both --
15 you know, the City does G.F.O.A., which is an award that they
16 get, and they file their budget with them. We also now,
17 though, have a requirement on our current notes to have
18 S.E.C. disclosures no later than March 31. And because we
19 depend on this audit for a footnote, we really need to have
20 y'all's done by February the 28th. That gives us 30 days to
21 get ours done.

22 MR. KING: Well, so you want to put a date in
23 there. I'd rather put a date in there, just so that someone
24 at least is shooting for something.

25 MS. HARGIS: I'd say February 27th.

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1 MR. KING: Is that okay with you, Mike?
2 MR. ERWIN: Yes, sir, that's good.
3 MS. HARGIS: That gives us 30 days, Mike.
4 MR. ERWIN: Right.
5 MR. KING: It says no later than.
6 MS. HARGIS: Yeah, I think no later than February.
7 And when we do our contracts, we probably need to say January
8 31.
9 MR. KING: That's fine.
10 MS. HARGIS: 'Cause they'll always be later than
11 that.
12 MR. KING: Okay. Is that -- February what?
13 MS. HARGIS: February 28th, or 27th in an odd year.
14 I guess it's the 28th.
15 MS. BAILEY: 28th.
16 MR. MOSER: 28th.
17 MR. KING: Okay. All right. Is that okay with

18 you, Mike?

19 MR. ERWIN: Yes, sir.

20 MR. KING: All right, good. Okay, next. Item

21 something -- Number 10.

22 MR. MOSER: Page 4.

23 MR. KING: That long thing, that was all in 3(g)?

24 MS. HARGIS: See if you have something under 9.

25 MR. KING: Oh, yeah, we do. Under 3(g), part 9.

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1 The board shall hire and employ an Airport Manager and such
2 other employees as necessary for operation of the airport.

3 MR. MOSER: Good.

4 MR. KING: As soon as possible -- yeah, that's just
5 as soon as possible. That was an old thing, so we don't have
6 a problem with that. Okay. Item 10 under the same section;
7 the board, through its manager and other employees, shall be
8 responsible for the day-to-day management of the airport. To
9 the end -- to that end, the board is authorized to enter into
10 service contracts with other public and private entities, but
11 where such contract exceeds 25,000, both parties must approve
12 the contract. What did it used to say?

13 MS. HARGIS: That's what they deleted.

14 MR. McKENZIE: They want to delete the 25,000.

15 MS. HARGIS: So that's a good -- that's a red one;
16 that's what we took out.

17 MS. BAILEY: Adding limitation again.

18 MR. COWDEN: That's what it was, 25,000 over here.

19 It's in --

20 MR. KING: What do y'all -- I don't understand that
21 one, Mike. Are y'all adding, "but where contract exceeds
22 25,000, both parties must approve the contract"?

23 MR. ERWIN: Yes, sir.

24 MR. KING: What did it used to say?

25 MR. ERWIN: Nothing.

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1 MR. HENNEKE: We're fine with the existing --

2 MS. BAILEY: Adding a restriction of \$25,000.

3 MR. KING: And that's on what? That's on service
4 contracts? So we can't enter into a contract for someone to
5 do something out here now. Where would the money come from
6 for that? Let's say a RAMP grant. That would be applicable
7 to the RAMP grants, wouldn't it?

8 MS. HARGIS: Well, mowing, any kind of contract
9 could be over 25,000.

10 MR. KING: Any contracts. But -- okay, so you
11 basically -- we can enter into a contract, but if we don't
12 have the money, the City and the County have to approve it.
13 It has to be in our budget.

14 MR. McKENZIE: If we --

15 MR. MOSER: Even if you have the money, you can't
16 enter into a contract.

17 MR. KING: I'm trying to figure out where the money
18 would come from.

19 MR. McKENZIE: Tom's right. If it's budgeted --
20 just what Corey said. If it's budgeted, you still have to go
21 to them if you guys want to do something.

22 MR. MOSER: Enter a contract.

23 MR. McKENZIE: You got to go to Commissioners Court
24 if --

25 MS. BAILEY: If you have a \$25,000 budget for

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1 service contracts, and one of them comes up \$26,000, you
2 still -- even though it's budgeted, you have to go to the
3 City and County for approval.

4 MR. KING: Where do we have this 25,00? Where do
5 we have contracts that we enter into over 25,000?

6 MR. McKENZIE: The mowing contract is 47.

7 MR. KING: We enter that every year.

8 MR. MOSER: The mowing contract, the administrative
9 contracts.

10 MR. McKENZIE: If it's over, yeah.

11 MR. KING: If it exceeds our budget, we have to go
12 to the County anyway, right?

13 MS. BAILEY: Yes.

14 MR. MOSER: Right, to get more money.

15 MR. KING: To get more money.
16 MR. MOSER: This says you have the appropriated
17 funds, but you're not allowed to obligate it, is what that
18 says.

19 MR. WALTERS: Really, even Joey's contract would be
20 considered a service contract, even though it may not be an
21 expense out.

22 MR. MCKENZIE: Technically --

23 MR. WALTERS: Technically, if it exceeds 25,000,
24 you'd have to go to the City to get their approval for Joey's
25 contract.

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1 MR. KING: For his -- what? For his --
2 MR. MOSER: F.B.O.
3 MR. WALTERS: F.B.O.
4 MR. KING: What do you think, Mike? What are we
5 looking at here? Any thoughts on what we're trying to
6 accomplish here? Other than --

7 MR. ERWIN: That -- the way the City has presented
8 this, we're just wanting an ability to approve any contracts
9 over 25,000. We're asking that it go to the City and the
10 County for approval.

11 MR. WALTERS: Why don't you just fire all of us and
12 y'all take it over? Really, that's --

13 MR. KING: We've already done that once.

14 MR. COWDEN: Didn't work very good.

15 MR. WALTERS: I mean, 'cause that's -- y'all are
16 micromanaging this.

17 MR. KING: I would say that we would like to delete
18 this.

19 MR. MOSER: I agree.

20 MR. KING: On the grounds that the airport
21 interlocal agreement, as it was established by Mr. Bill
22 Williams and the City people -- the idea was to allow the
23 airport to operate as an independent board to run the
24 airport, because we had some problems in the past. We had
25 some problems with politicians running the airport, and they

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1 couldn't run the airport. They dang near ran the thing in
2 the ground. And -- and our budget -- if you look at our past
3 budgets, they're spending -- money was spent crazily out
4 here. And, you know, this looks like to me another attempt
5 by the City to take control of the airport. And you can pass
6 that on to Council. You know, this is -- this is just --
7 it's like it's creep -- it just keeps creeping on, just
8 creeping on and creeping on, and it just -- you know, it's
9 not going to happen while I'm on the board. You can take me
10 off the board. You can knock me off the board; you can do
11 what you want to do on the board, but I'm not going to serve
12 on the board if the City is -- if the City and County are
13 both going to control the board. You guys get to control the
14 money out here, and, you know, that's a pretty -- that's a
15 pretty good size restriction that you get the control, you
16 know. But I'm not going to -- I'm not going to vote -- I'm
17 going to vote against this if we bring it up on a motion, and
18 I'm going to express my dissatisfaction with the City and the
19 County --

20 MR. MOSER: Or we're going to vote here on a motion
21 on all these changes, the way the letter should be written.

22 MR. KING: It's control creep is all it is.

23 MR. MOSER: Mike, if you stop and just step back,
24 the City wants to say you can't change line item to line
25 item, number one, which is hugely restrictive. I mean,

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1 nobody can project the budget that accurately, line item to
2 line item. And number two is, if you stay within it, you
3 can't -- you can't enter into a contract over \$25,000.
4 \$25,000 out of \$600,000 is dip, nothing, okay? And I -- I
5 agree with -- I agree with Steve. Find a replacement for me
6 too if you're going to do that.

7 MR. KING: All right, that works. We'll go to the
8 next item. Item 12, same section. Such fees shall be
9 included in the airport budget.

10 MR. MOSER: Well, I want to make one other comment.
11 If there was some reason to be doing that because we hadn't

12 been performing, then you can say, you know, because of all
13 this, we got to -- we got to tighten the string on you guys.

14 But I don't think that's the case.

15 MR. KING: Yeah. And, Mike, I'm not -- I'm not --

16 MR. MOSER: You're just wearing the city hat. I'm
17 not fussing at you, Mike.

18 MR. ERWIN: I understand.

19 MR. KING: And let me tell you right now, if the
20 County votes for this, I'll be mad at them. If the County
21 comes up -- and I'm going to the Commissioners Court meeting.
22 If they vote for it, I'm going to express my dissatisfaction
23 in front of the County just like I'll express it in front of
24 the Council. So, they're not -- they're not exempt from
25 this. I just don't know what their position is. I know what

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1 Guy's position is on it, but I don't know what anybody else's
2 position is on it.

3 MR. HENNEKE: The county position all along has
4 been the existing agreement works fine. That's what's been
5 expressed in other court meetings, and that's what the draft
6 that we sent over to the City was.

7 MR. KING: I'll go to their meeting, let them
8 express that in open court. And they can -- and they -- if
9 that's the way it is, I'll say thank you very much. But if
10 they say the other way, I'll be just as adamant against it --
11 against them too, you know. Item 12, such fees shall be
12 included in the airport budget. Rates -- I don't understand
13 this one. May adopt fees, rental rates with respect to the
14 use of airport services or use of airport property. Such
15 fees and rates shall be included in the airport budget. They
16 deleted "should" and "to the extent possible." Shall.

17 MS. BAILEY: Well, it's the same -- it's the same
18 philosophy as the most recent change that we're talking
19 about. It's an attempt to say -- instead of "should, to the
20 extent possible," you have to do it. So, it's just trying
21 to --

22 MR. KING: What fees -- such fees shall be
23 included. Where are they included now?

24 MS. HARGIS: In the budget.

25 MR. WALTERS: Budget.

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1 MR. KING: They're already in the budget?

2 (Ms. Hargis nodded.)

3 MR. KING: Now we're going to "shall" put them in
4 there? I mean, I don't understand that.

5 MS. BAILEY: Instead of "to the extent possible."

6 MR. KING: Well, there -- I mean, I'm -- it's not
7 like I've got -- there's not a separate checking account for
8 airport fees, far as I know. They're in the budget. Shall
9 be included in the budget. Should be included in the budget.

10 They deleted "should"?

11 MS. HARGIS: Mm-hmm.

12 MR. MOSER: Right.

13 MR. KING: Why couldn't you say, "Such fees and
14 rates will be included in the airport budget"? Shall --
15 "shall" means -- I don't -- this is nitpicking here.

16 MR. MOSER: Somebody's got an objective. I don't
17 know what it is.

18 MR. KING: I don't know. "Should, to the
19 extent..." Where else would they be included?

20 MR. WALTERS: I mean, this is also a similar item.
21 It's a budget which, you know, we're making -- we're
22 including the fees and rates in the budget to the best that
23 we can at that time we prepare the budget. I mean, again,
24 it's a little bit of a moving target. Our rates and fees may
25 change a little bit, depending on market conditions. And --

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1 you know, and that's why I think "to the extent possible,"
2 the language is accurate. 'Cause we put it in there the best
3 we can at the time we prepare the budget, but, you know,
4 there might be a little fluctuation here and there. That
5 just, to me, also limits our ability to be somewhat flexible,
6 or to be a little flexible as conditions and market changes
7 arise.

8 MR. KING: What if we increase the cost of the

9 T-hangars --

10 MR. MOSER: That's what I was going to bring up.

11 MR. KING: -- after we submit a budget? Do we have
12 to send an amended budget showing the new rate?

13 MR. ERWIN: Yes, you would.

14 MR. MOSER: Whoa.

15 MS. BAILEY: Get their approval initially.

16 MR. KING: We're trying to make you more money.

17 Leave it alone.

18 MR. MOSER: I think that's a good example.

19 MR. KING: Next.

20 MR. MOSER: Put it in the letter.

21 MR. KING: I don't know; it's just stupid. Item
22 14, board shall adopt procedures and -- policies and
23 procedures for purchase of goods and services, for the
24 accounting of the airport's finances in accordance with the
25 state law and this agreement. I give up. What's that mean?

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1 What's that mean? Anybody know? Mike? "And this
2 agreement"?

3 MR. ERWIN: Primarily looking for just financial
4 policies, statements and purchasing policy statement for the
5 Airport Board.

6 MR. KING: Okay, a purchasing policy statement --
7 policy, and a what? And a --

8 MR. ERWIN: Financial policies.

9 MR. KING: I think we have that, don't we? Don't
10 we have a financial policy statement? Do we?

11 MS. HARGIS: The City does. They brought it in.

12 MR. KING: Do we have a purchasing policy
13 statement?

14 MR. COWDEN: What's in there?

15 MR. KING: What's -- I don't know. Does the
16 Library Board have that also?

17 MS. HARGIS: There's a purchasing policy at the
18 county -- I mean at the state level.

19 MR. KING: At the state level. So, we can just --
20 what's that mean? I don't know. What did that say?

21 MS. HARGIS: Well, that you -- it kind of talks
22 about where you would purchase it from, like if you were
23 going to bid, you know, it's 50,000. So it's really -- but
24 that you have to probably compare bids. For instance, most
25 of the time you want your staff to look -- anything under

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1 \$5,000, you probably wouldn't do it, but anything 5,000 --
2 between 5,000 and 50, that they get three verbal bids, that
3 they try to make sure they get the best price. I mean, it
4 goes through all of those terminologies. It can be a fairly
5 lengthy document. We don't currently have one in place
6 because of our structure. The City does have one in place.
7 I wrote -- in fact, I wrote that one when I was over there.

8 MR. KING: So, we're complying with state law, but
9 "and this agreement" is what you're adding.

10 MR. MOSER: I think what this says is the changes
11 that have been proposed in this agreement, you know, which we
12 stated is too restrictive, that, you know, you have --
13 assuming that all those got incorporated, then you'd have to
14 change your policies consistent with that.

15 MS. HARGIS: I -- and we take the position that the
16 state law is sufficient.

17 MR. MOSER: Right.

18 MR. KING: Okay. I would say leave it alone,
19 unless someone can explain to me what it means, or what it's
20 going to require. I guess what it's going to require.
21 Because I don't know -- I guess my problem with it is I just
22 don't understand what you're asking. I feel like -- it's
23 almost like a "gotcha"; I feel like somebody's trying to
24 catch me on something, and if I agree to it, then I'm going
25 to get in trouble. If I agree to it and then it happens, and

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1 I don't even know what happened, and all of a sudden it's
2 going to be in the paper, the Airport Board president did
3 this, because --
4 MR. COWDEN: It's analogous to what we do when they
5 say, "You got to have a policy." So, you adopt a policy,

6 then you do not follow that policy, and they beat you in the
7 head.

8 MR. KING: I don't understand it, so I can't agree
9 to it because I don't understand it.

10 MR. MOSER: I don't know what it means.

11 MR. KING: I don't understand. All right. That's
12 -- and maybe if I understood it, I'd agree to it. Item 16,
13 board is prohibited from giving, leasing, or otherwise
14 allowing the use of any part of the airport for no value, or
15 less than market value, without first having approval of both
16 parties. Okay. I call this the Fred Vogt paragraph. Fred,
17 rest in peace. He's not here to defend himself.

18 MR. WALTERS: My first comment when I read this was
19 why -- why would the board ever do something that would be --
20 you know, would create a negative impact to the airport?

21 MR. KING: I agree. I guess, Mike and Guy, my --
22 my thing on this is that this stems from Fred Vogt wanting to
23 -- he brought up at a meeting about possibly -- we never
24 voted on it, never put it in a motion, merely discussed about
25 possibly giving some sort of hangar over here, Mooney, if we

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1 would reduce a little bit of their rent or something like
2 that. I mean, I'm not -- civil --

3 MR. MOSER: For Civil Air Patrol.

4 MR. COWDEN: They made a presentation one day.

5 MR. KING: They made a presentation. And I never
6 -- and I never had a -- it never even got far enough to say,
7 "I don't like it and won't agree to it; I vote it down."

8 Never got that far. We just bring it up like building a
9 parking lot or building a T-hangar or, you know, doing that.

10 I mean, it's just discussion that happens in open session,
11 because five board members can't talk to each other on the
12 phone. So, that -- it never got that far. But an item like
13 this would severely restrict our ability to bring a tenant in
14 here, and I can think of 16 different occasions where it
15 would happen. The B.A. Products hangar; Joe Blow wants to
16 lease it. We had a guy who wanted to lease it. It turned
17 out to be -- to be not a viable situation, but we can't lease

18 that building to anyone without bringing up A.D.A. standards.
19 No one -- I mean, it can't -- no one can walk into it without
20 bringing it up to A.D.A. standards. That's going to cost
21 \$100,000, probably -- \$75,000, \$100,000 to bring it up to
22 A.D.A. standards. Well, we don't -- we can't even -- we
23 can't go into a contract -- we can't execute a contract for
24 it without approval of the City and the County, according to
25 Item 10. And we don't have \$75,000.

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1 So, we did ask the party -- we said how about if
2 you would go in there and bring it up to A.D.A. standards in
3 a -- you know, like a two- or three-month period, and we'll
4 abate your rent until you bring it up to A.D.A. standards?
5 You know, you -- you spend your money to bring it up to
6 A.D.A. standards, and we'll inspect it; we'll have Bruce go
7 over and look at it, watch the construction, and then at such
8 a point as you put it all up to A.D.A. standards, we'll start
9 your rent. You know, we'll abate your rent until we do that.
10 He said fine. You know, we're thinking that's great. If he
11 moves out six months later, we end up with a building up to
12 A.D.A. standards, and he's fixed all the roof leaks and
13 stuff. What could be better? Actually, we were only going
14 to do, like, a one- or two-year lease with him. Anyway, I
15 feel like we were going to win on this deal big time. I
16 can't do that.

17 Okay, say a tenant wants to build a hangar back
18 here on the back side. We talked to F.A.A.; TexDOT wants to
19 build a hangar over here. We got to have a taxiway built
20 over here; it's going to cost \$300,000, and he wants to build
21 six or seven hangars over there, do a little development. We
22 ask him to come in there, put in 300,000, bring it up to
23 TexDOT standards. We say what we'll do is we'll abate your
24 rent, your ground lease for a period as to the time that we
25 can get our money back off of what you spent over there, not

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1 abating any taxes to the County and the City. The City and
2 the County still get taxes off the new development he did

3 over here. We just -- we can't do that. Now, if you can
4 figure out a way for us to pay for that \$300,000 over there,
5 it's not going to -- then we'll be more than happy to not
6 abate somebody's rent. But, you know, it's like I've told
7 several people on the Commissioners Court; when you don't
8 have any money, you got to make deals. You know, I read in
9 the newspaper on Friday that the new head of the economic --
10 whatever that is -- foundation thing --

11 MR. MOSER: Kerr Economic --

12 MR. KING: Kerr Economic deal. He said that the
13 biggest problem in the city was infrastructure. But he
14 envisioned, you know, developers coming in here and we being
15 able to allow them to build -- do some of our infrastructure,
16 build some of our infrastructure in the city on a plot that
17 they want to develop, and we would abate their taxes -- we
18 would abate taxes for a period until we could get our money
19 back for the -- for the money that they spent on the
20 development. I don't see what the difference is. I don't
21 see what the difference is in having Granger McDonald go over
22 here and do a development in the city, abate him \$300,000 in
23 streets or sidewalks or sewers he puts in and everything, and
24 then abate the taxes on it or abate his rent or whatever it
25 is on it until the time he gets his money back, versus us

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1 doing the same to someone out here. You know, if you got
2 money, you don't have to do those kind of things, but we
3 don't have any money, and so we have to make deals.

4 MR. MOSER: And we're -- the potential of having to
5 make deals still could be huge, too, with Mooney. Or else
6 the City and the County are going to have to spend a ton of
7 money.

8 MR. WALTERS: Mooney is a perfect situation. I
9 mean, you're looking at 5,000 or so in rent -- monthly rent,
10 you know, for 300,000. Well, really, market value -- that's
11 way less than market. But, you know, what it would mean if
12 they left and we have to take over those facilities would be
13 a huge impact -- negative impact to the airport.

14 MR. KING: So, I just feel like you got to make --

15 you have to be able to make deals. I just -- I don't
16 understand -- what I can't understand is if we make a deal
17 out here that's a bad deal, if we make a deal with someone
18 that's a bad deal, the City's not responsible for it; the
19 County's not responsible for it. We're responsible for it,
20 and we're going to have to live with it, and it's going to be
21 out in the public that we did it. So, you know, I told
22 someone a while back, I said, "Why in the heck would I want
23 to make a bad deal with somebody? Why would I want to make a
24 deal that's not advantageous for the airport, for the Airport
25 Board that I'm serving on?" Which benefits the City and the

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1 County. It just looks like to me that when you write this in
2 here, what you're saying is, "We don't trust you." If you
3 don't trust me, then I don't want to be on your board. So,
4 move on down the road. Next one.
5 MS. BAILEY: Steve, can I say a couple things? If
6 you would agree, I would like to see these things in the
7 letter regarding this paragraph here. Number one, state law
8 already prohibits public entities, which we are, from using
9 public funds for private purposes, so we're already under
10 state law for that. Our airport rules and regulations and --
11 and the things we already have set up already require Mooney
12 to meet all of our leases equally the same. Similarly,
13 F.A.A. rules already require that we treat all comers the
14 same. So, I think it's unnecessary for that reason. But
15 also, I'm really disturbed by the language where it says use
16 any part of the airport for no value or less than market
17 value, for exactly the reasons that you said -- you've just
18 stated. What we might -- I'm not saying that we recommended
19 this, but we might lease something to someone for zero
20 dollars rent with the agreement that they fix it up. Is that
21 no value? I mean, that's such an ambiguous term, I have real
22 problems with "no value." Similarly, "less than market
23 value." Mooney's a perfect example. We totally lease that
24 for less than market value, for all of the reasons that we
25 all know about. So, I'd like to see that in the letter, if

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1 you agree.

2 MR. KING: We can do that, yeah. 360,000 square
3 feet of building we lease to them for 5,500 a month; I
4 believe that would be less than market value.

5 MS. BAILEY: I believe it is.

6 MR. KING: But if they left, you'd -- boy. All
7 right. Item (k) of the same section, litigation. "Airport
8 shall not enter into litigation of any kind prior to approval
9 by both parties." The parties -- that's both parties.

10 That's fine; I don't have a problem. "However, the airport
11 may provide an appropriate response to a lawsuit or claim
12 filed against it in an effort to protect the rights and
13 defenses prior to approval of both parties." Okay, we don't
14 have a problem with that -- I don't have a problem with it.

15 Airport budget. The airport is responsible for the
16 operations and needs of the airport. Shall develop a budget
17 for airport operations, called the airport budget, to be
18 approved by both parties, and approved -- I don't know. I
19 guess -- what's that?

20 MR. MOSER: That's nothing.

21 MR. KING: That's nothing. I don't have a problem
22 with that. Item (c).

23 MR. WALTERS: You got one in (a).

24 MR. KING: (a)?

25 MR. WALTERS: Date change.

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1 MR. KING: How's that date change affect us?
2 MR. McKENZIE: By one month.
3 MR. KING: What's that do?
4 MR. McKENZIE: Just moves it up. You have to have
5 it in by June 30th, which we will this year. They're asking
6 now that it be a month sooner, 30 days prior.
7 MR. KING: Is that something --
8 MR. McKENZIE: We'll have to start back in March
9 to --
10 MR. MOSER: Wait. Wait, you got to go back. You
11 skipped one. You got --

12 MR. COWDEN: 25 went to 5.
13 MR. MOSER: Went from 25,000 --
14 MR. KING: For purposes of this agreement, capital
15 improvements are defined as a project that will result in
16 physical object with a value of \$5,000 or more. Okay, what's
17 that like? What was that?
18 MR. MOSER: 25.
19 MR. KING: It was 25? Okay. All right.
20 MR. WALTERS: That's your sign.
21 MR. KING: Not my sign; I didn't vote. 25K, okay.
22 What's the County do there? What do you guys do? I know I
23 talked to Jonathan about this. Y'all do have a restriction
24 on capital improvements; is that correct?
25 MS. HARGIS: Ours is very low right now; we're

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1 trying to get it up to 5,000, and it's for depreciation
2 purposes more than anything else. Most entities have gone to
3 \$25,000, because anything under that is really not worth
4 depreciating any more. I think that's pretty much --
5 MR. KING: All right. Okay.
6 MS. HARGIS: I think to leave it as it was is -- I
7 mean, there again, it's the same deal as you dealt with
8 before.
9 MR. KING: I don't know. I just don't understand.
10 25,000, okay. They want it to be 5,000, so we can't build
11 our parking lot out here, I guess, if we -- even if we have
12 the money in the budget. We can't build our parking lot
13 that's going to increase revenue.

14 MR. MOSER: Well, it just says that it becomes a
15 capital item, right? Isn't that all it says, Jeannie? It's
16 for anything over -- right now, anything over 25,000 is a
17 capital item, but now it's going to be five, so that it's a
18 lot more bookkeeping; you have to depreciate it.
19 MS. HARGIS: Well, a lot of those items -- you
20 know, you can buy some computer equipment that's \$5,000, and
21 it's really antiquated at the end of a year.
22 MR. MOSER: That's right.
23 MR. KING: So, this is like a lawnmower? If you

24 bought a lawnmower, it would be in there?

25 MR. MCKENZIE: Yeah.

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1 MR. MOSER: Yeah.

2 MR. COWDEN: Didn't we buy a --

3 MR. MCKENZIE: We bought two of them.

4 MR. MOSER: You could buy a computer, and all of a

5 sudden it's a capital item.

6 MR. KING: I tell you what I would say on this.

7 I'm going to -- I don't agree with the 5,000, but I think

8 I'll let the County battle that, because they -- they have

9 some restrictions. They do they have some restriction, I

10 know; I talked to Jonathan about that. And they -- they're

11 not -- they're not opposed to having a limit on the capital

12 budget -- on the capital expenditure. But I don't -- you

13 know, I don't agree with the 5,000 or more, 'cause I think

14 that's just another attempt to restrict us. But I guess we

15 could argue that sign has no value. It says a physical

16 object of a value 5,000 or more. I don't know if it has any

17 value if you tried to sell it.

18 MR. MOSER: Just leave it alone, be consistent with

19 the City and the County.

20 MR. KING: Okay. All right, we'll write that in

21 there. Item (a), 4(a). June 1st. Is this -- this is

22 something to help y'all out, Mike?

23 MR. ERWIN: Yes, sir.

24 MR. KING: Okay. How would that help y'all out?

25 MR. ERWIN: Well, as we begin to plan and write our

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1 budget, we're aware of what the airport budget is.

2 MR. KING: Okay. When do y'all start planning to

3 write y'all's --

4 MR. ERWIN: We start in April. We deliver a

5 strawman to our Council either at the end of June, first of

6 July, and our proposed budget is due at the end of July.

7 MR. KING: Okay. Okay. All right.

8 MR. MOSER: So, we couldn't be doing what we're

9 doing right now. We'd have to be moving a month early.

10 MR. KING: We can get it done. I mean, there's

11 nothing -- nothing to preclude us from getting it done.

12 When's y'all's stuff, Jeannie?

13 MS. HARGIS: We don't have the same requirements

14 that they do.

15 MR. KING: When do you have to do your budget?

16 MS. HARGIS: We approve it on the 29th of

17 September. We try to start it early just like they do.

18 MR. KING: Yeah.

19 MS. HARGIS: But we have the workshops. We don't

20 have the deadlines that the City does. The City has

21 deadlines in the Local Government Code of July 31st. They

22 have dates --

23 MR. KING: If it helps the City out on the deal,

24 and it requires us to meet earlier, I don't have a problem.

25 MR. MOSER: Bruce, is that a problem?

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1 MR. McKENZIE: No, sir, that's fine.

2 MR. KING: Let's move forward. Okay, excess

3 spending prohibited without prior approval of both parties.

4 I can agree to that. Each party. Board shall not spend or

5 incur obligations which at any time exceed -- which will

6 exceed any line item of the budget approved and adopted by

7 the City -- County and the City for the current fiscal year.

8 So, if we -- at the end of the year, if we're running over on

9 electricity a little bit, we got to get with the City and the

10 County before they shut the lights off out here.

11 MR. WALTERS: That's exactly right.

12 MR. KING: We have to plan ahead on that, Bruce.

13 MR. McKENZIE: Another thing --

14 MR. KING: We don't want those runway lights to go

15 dark.

16 MR. McKENZIE: Another thing that precipitated

17 this, last year when we were doing this project, I had the

18 contractor out here sealing that 6,000-foot runway. I needed

19 to crack seal Echo right here. It cost about 3,000 bucks

20 over, which I had money in the contingency to do it. The

21 folks downtown didn't -- I still am hearing grief about that.

22 MR. KING: Yeah, 'cause we sealed the cracks,

23 prevented the runway from --

24 MR. McKENZIE: Because I went over the \$100,000.

25 MS. BAILEY: There's another problem with the

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1 language in this. I know that's not what they meant, but it

2 says you can't incur any obligation which exceeds any line

3 item. That means you can't incur, for this next year, any

4 obligation that exceeds \$1,320, 'cause that's a line item in

5 the budget.

6 MR. MOSER: Right. Right.

7 MS. BAILEY: At all. So --

8 MR. MOSER: That's exactly what it says.

9 MS. BAILEY: So, you pick the smallest line item

10 you've got in the budget; that's the most you can spend on

11 anything without going to the City.

12 MR. KING: How -- do y'all do it that way?

13 MR. MOSER: I didn't interpret it that way.

14 MS. BAILEY: That's what it says.

15 MR. KING: Oh. How do y'all do it?

16 MR. HENNEKE: We got budget amendments. We'll

17 vote -- the Commissioners Court will vote to move -- stay

18 within the total budget, which is how y'all are set up, but

19 if we need to move money from gasoline to, you know,

20 sealcoat, we'll vote to transfer money, as long as there's

21 available money.

22 MR. KING: Right.

23 MR. HENNEKE: That's how y'all have been set up.

24 MR. KING: Yeah.

25 MR. HENNEKE: We don't have any problem with it.

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1 MR. WALTERS: What's the reason for a change? Why

2 should we change it?

3 MR. KING: We're not changing the overall budget.

4 MR. COWDEN: That makes a lot of work. We have to

5 approve it --

6 MR. MOSER: Same discussion we had earlier. Can't
7 do it.

8 MR. KING: I just think you could get into some --

9 MR. MOSER: Well, for one thing, like Bruce is
10 saying, he had the contractor out here add \$3,000. We
11 couldn't do that, okay, until there was a City Council
12 meeting and a County Commissioners meeting. And assuming
13 they both agreed, then you can do it, but, well, the
14 contractor's gone. Now it will cost you \$10,000 to coat it.

15 MR. WALTERS: To get him back.

16 MR. MOSER: Just doesn't make sense. Okay.

17 MR. KING: Okay, we don't agree with that. All
18 right. Board calculation. Airport shall create a draft
19 budget. Create a draft budget. What did it say, an airport
20 budget? I don't understand that. What does that mean, Mike?

21 What are they asking for there?

22 MR. ERWIN: Basically, we're just asking for a
23 layout showing what your revenues are, what your expenditures
24 are, prior to the City/County contributions.

25 MR. MOSER: No, what it says -- what it says is --

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1 what it says is -- we've just gone through two or three draft
2 budgets to finally arrive at one. So, you want to see the
3 draft before we send you the budget. That's what that says.
4 Is that right? Just like you in the City, you have to -- you
5 have to give a draft budget to the City Council before you --
6 before Todd gives them a budget. So, that's what this is
7 saying, is I want a draft of what we're -- we think we're
8 going to send to you before we send it to you.

9 MR. ERWIN: When I read (e) -- and there's a couple
10 of attorneys in here who could correct me. I don't see where
11 it says that it has to be given to either party. I just see
12 that the board has to create it.

13 MR. KING: We do that.

14 MR. MCKENZIE: We do that.

15 MR. WALTERS: What's the difference between the
16 language, "create a draft board budget" compared to what you
17 deleted, "shall determine the board budget"?

18 MR. ERWIN: That second one -- what number was

19 that?

20 MR. WALLACE: It's on the same -- we're just
21 looking at the side; it shows the deletion. What's the
22 difference between what you're asking for and what was
23 already there?

24 MR. ERWIN: You'd need to ask --

25 MR. KING: Todd?

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1 MR. ERWIN: Todd or Hayes.

2 MR. COWDEN: Did Mike do these -- most of these?

3 Mike Hayes?

4 MR. ERWIN: Yes.

5 MR. WALTERS: To me, it reads -- means the same.

6 MR. ERWIN: Okay.

7 MS. DEJOHN-ERMEY: I think part of it is up in
8 Number 4, they took out that the Airport Board doesn't
9 approve their budget; they just develop a budget. They took
10 out the word "approve" up in Number 4.

11 MR. MOSER: Yeah. I'd say leave it alone. It
12 says, you know, we've got -- we've got to develop a budget,
13 okay? And to do that, it's saying we're going -- we have to
14 do a draft before you give us a final budget. Don't just
15 come up with -- I mean, it's crazy. The next thing you could
16 is say you create a draft budget, and we want the draft
17 budget, you know, in May. Even though you're going to have
18 to give us the budget on June the 1st.

19 MS. BAILEY: Which means we'll be doing our budget
20 in March and April.

21 MR. MOSER: Yeah, right. I'd say leave it alone.
22 Before we send you the budget, we got to determine the
23 budget. That's what the language was in there before. I
24 can't go along with that, 'cause I don't know what it means,
25 or what -- I don't what the objective is.

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1 MR. KING: Going back to that Item 4 up there, it
2 says -- it says airport shall develop a budget for airport

3 operations, and it used to say "and approve," and now it says
4 develop a budget for airport operations to be approved by
5 both parties. Well, I think it needs to say both things. I
6 mean, obviously, we can't send you a budget without us
7 approving it. I mean, we have to vote on a budget, but you
8 guys have to approve the budget. So, I don't -- it's kind of
9 like -- I mean, you took out the part that says we have to
10 approve the budget, and you put in that you had to approve
11 the budget, but both those things really have to be in there.
12 It needs to say the Airport Board will develop a budget -- or
13 develop and approve a budget, or develop and approve a budget
14 and that budget will be approved by both parties.

15 MS. BAILEY: The last two sentences of that

16 paragraph already say that. It's --

17 MR. KING: The previous year's -- the board shall
18 submit and present for approval. So, I don't -- I don't
19 agree with that now. I'd take that out. I don't understand
20 -- you took out our approving the budget, and we have to
21 approve the budget to send it to y'all. So, I don't know --
22 I don't understand how we can approve -- how we can write a
23 budget and send it to y'all for approval without us approving
24 it. Am I wrong?

25 MR. MOSER: No, you're correct.

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1 MR. KING: So, I think you got to delete that and
2 just put it back the way it was. And then I think you cover
3 it in the next to the last line, that you guys have to
4 approve a budget. Present the Airport Board budget. You
5 should probably put the airport -- the board shall submit and
6 present the approved budget to the County and City for
7 approval.

8 MR. MOSER: There you go. Anyway -- I don't know.

9 Just leave it alone.

10 MR. KING: I think Mike should have come to this
11 meeting -- Hayes. Sounds like he wrote a lot of this. Okay.
12 So, we left (c) alone; now we're going to go to (e).

13 MR. MOSER: No, you didn't leave (c) alone.

14 MR. KING: I said leave it alone.

15 MR. MOSER: We didn't care if it said each party.
16 MR. COWDEN: Leave it like it was.
17 MR. KING: Yeah, leave it like it was.
18 MR. MOSER: The first one, instead of "both
19 parties," it was "each party." I would agree to that. We
20 didn't agree to the next one.

21 MR. KING: Airport budget -- Airport Board budget
22 calculations. Board shall create a draft -- we already did
23 that one.

24 MR. MOSER: We're saying leave it alone.
25 MR. WALTERS: I think it means the same -- I

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1 mean --
2 MR. KING: I'd say leave it alone, unless someone
3 explains to us why it needs to be changed.
4 MR. MOSER: What's the objective?
5 MR. KING: I don't like to change things if I don't
6 know what they mean. All right, Item 5, City and County
7 funding. Maintenance operations. Subject to the -- okay,
8 this is just changing that where y'all go back to 50/50; is
9 that correct? Anybody have a problem with that? Guy left,
10 so --

11 MR. DRANE: He said he had another appointment,
12 Steve.

13 MR. KING: Oh, he did?
14 MR. HENNEKE: He just left to take a phone call.
15 I'm still here.

16 MR. KING: Rob's here. What's this? Just
17 basically y'all split it now instead of that declining deal
18 y'all had where y'all paid all of it eventually?

19 MR. HENNEKE: Yeah. The City's original proposal
20 was 50/50.

21 MR. KING: Right.
22 MR. HENNEKE: And I think their current position is
23 that their max contribution is 175.
24 MR. KING: Forever?
25 MR. HENNEKE: Well, I think --

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1 MR. ERWIN: We determined this within the terms of
2 this agreement.

3 MR. KING: One-year agreement, so --

4 MR. HENNEKE: It's a three-year agreement.

5 MR. KING: So, what are y'all going to propose next
6 year, 175?

7 MR. COWDEN: You're saying three years, 175.

8 MR. KING: So, basically three years, 175 for the
9 next three years? Okay.

10 MR. MOSER: Is that the duration of this agreement,
11 three years?

12 MR. KING: Yeah. Yeah.

13 MS. BAILEY: Page 1.

14 MR. KING: And that's a budgeting situation, I
15 guess, so y'all can budget for the next three years? That's
16 a help -- helpful deal to y'all guys? Okay.

17 MR. WALTERS: What's the process if, you know, we
18 come in here and find out that our fuel and whatever has
19 gotten outrageously expensive, and we can't meet our budget
20 for 350,000?

21 MR. COWDEN: We can ask.

22 MR. WALTERS: Is that the limit to this agreement?

23 MR. ERWIN: Yes, sir. You can ask, or do what the
24 City did last year and cut 15 percent of the budget.

25 MR. KING: Sure. But if we determine that it

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1 will -- it will be detrimental to the operation of the
2 airport, then we can bring that to you guys and state that.

3 MR. ERWIN: Right.

4 MR. KING: And then we fall under that deal I had

5 that letter for -- that article in the paper wherein if
6 F.A.A. says that it's a detriment to the -- detriment to the
7 operations of the airport.

8 MR. MOSER: Well, Mike, since you have to approve
9 the budget, okay, and we have some reason to have to change
10 the budget, then you would agree to change the budget, or not
11 agree to change the budget. Why would you specify the amount

12 in the interlocal agreement? Why wouldn't it just be 50/50?
13 'Cause you're already approving the budget. It's a redundant
14 approval.

15 MR. KING: I got it. How about this, Mike? It
16 says in the agreement that if you don't approve the budget,
17 it goes back to the previous year's funding, which is
18 175,000.

19 MR. MOSER: Right.

20 MR. KING: So, if you just don't approve the
21 budget, you guys have -- y'all have a mechanism to get back
22 to 175 already, because it says in the agreement if you don't
23 approve the budget, it goes back to -- it goes back to the
24 previous year's budget, which is -- the previous year's
25 budget would be 355, with you guys making a 175 contribution.

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1 So, you already have that mechanism --
2 MR. MOSER: You got redundancy you don't need. You
3 got paper you have to change, and you don't need to.
4 MR. KING: I don't know. I just -- how do y'all
5 feel about this? Guy? Are y'all on board with each -- or
6 Rob? Each year, so for three years, we're hung up at 175?
7 If Mooney goes belly-up on us and we've got \$250,000 worth of
8 immediate costs that come up over there in next year's
9 budget?

10 MR. HENNEKE: Well, if there's -- I mean, I guess
11 for the budgeting process, if there's an emergency, --

12 MR. KING: Yeah.

13 MR. HENNEKE: -- if you can budget for it, then
14 we'd have to address that. Now, if, during the fiscal year,
15 Mooney blows up or a tornado takes out a terminal, then we're
16 going to have to address that.

17 MR. KING: Sure.

18 MR. HENNEKE: Regardless.

19 MR. MOSER: But that's in the budget. That's --
20 that's approval/disapproval of the budget, or changing the
21 budget.

22 MR. COWDEN: Amending, yeah.

23 MR. MOSER: Yeah, amending.

24 MR. ERWIN: That's the same thing as the City. If
25 the City has an emergency, then we -- we take care of it and

1 we amend our budget.
2 MR. KING: Amend your budget.
3 MR. MOSER: Right, but that's all we're suggesting
4 here, is put it in the budget control, not in the interlocal
5 agreement, specifying the amount. That's the recommendation.

6 MR. ERWIN: All right.
7 MR. KING: Okay. I just -- I don't know -- it's in
8 the interlocal agreement. I hate to put a budget --
9 basically adopting our budget into the interlocal agreement.

10 MR. MOSER: That's right. So, put some words in
11 there like "fifty-fifty" or whether the City and County want
12 to do it, but not the amount.

13 MR. KING: In that letter, we'll write in there,
14 there already is a mechanism for reverting back to 175. I
15 guess you can just disapprove the budget. Say we come back
16 to you next year and ask for 185 approval. All you have to
17 do -- Council has to vote no, we do not approve the budget.
18 The County -- the County can vote yes, we approve the budget,
19 and it's a stalemate; we go back to 175. You don't have to
20 spend more than 175. All right. I would rather -- I'd
21 rather you guys vote -- make that call. That's the way it
22 looks like to me. Somebody needs to make that call other
23 than us. Item (b) out of that 5, the County and City will be
24 equally responsible for expenses directly resulting in part
25 of the airport budget regarding capital improvements on an

1 annual basis. Both parties must review proposed capital
2 improvement projects. Only those persons -- projects
3 approved by both shall move forward for bidding, where
4 applicable, and construction. The board is prohibited from
5 making any allocation for capital improvements until final
6 cost is known for the overall project.
7 MR. MOSER: I've got a comment on this. When you
8 ask the contractor to bid on something, they encounter --

9 incur a lot of expense. A bidding proposal is a very
10 expensive item, and it's a very sacred resource that they
11 have. So, this says we cannot ask for a capital improvement
12 until we get a firm -- a proposal, a firm -- let me just call
13 it a firm proposal from some contractor. And the City or
14 County says no, we don't want to do that. Whereas the
15 contractor's going to say, "Do you have the funds to do
16 this?" Before I spend my money to prepare this -- this very
17 expensive pledge -- I mean, this proposal. So, it says
18 you're putting an undue burden on the contractors.

19 MR. COWDEN: You're eliminating some contractors.

20 MR. MOSER: You're eliminating some contractors.

21 Some of them can't afford to do it. 'Cause when I used to
22 run a business development organization, that was the -- that
23 was the biggest thing I had. I never had enough bidding
24 proposal money to create proposals. And we checked them. If
25 the -- if the customer didn't look like they had the money,

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1 we wouldn't even propose it. Just wasn't going to do it.
2 So, what you've done is you've restricted -- if you do this,
3 you restrict who you're going to get proposals from.

4 MR. KING: So, if we -- I guess this is written
5 into -- basically written into that \$5,000 deal, if you have
6 a capital improvement above \$5,000. And it has to be
7 approved by both parties.

8 MR. WALTERS: I've got a concern on the word -- the
9 last -- second to last sentence there where it says until a
10 final cost is known. Well, you never know what the final
11 cost is until after the job is complete.

12 MR. MOSER: That -- yeah.

13 MR. WALTERS: And, I mean, I think it should say --
14 instead of "final cost is known," until a budget cost is
15 determined for the overall project, because that's what we
16 prepare before a project is started. We get a budget cost,
17 and some of those budget costs are based upon contractor
18 bids, but you never know what the final cost is.

19 MR. MOSER: And -- I agree with Corey. And the
20 other thing is, it says you can never get approval on a

21 cost-plus contract, 'cause you don't know. Lots of times, if
22 you wanted somebody to do something out there, and they say,
23 "God, we don't know what kind of, you know, subsurface is out
24 there; we can't give you a firm fixed-price proposal. We'll
25 give you a cost-plus. We'll do it, you know, at our expense

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1 plus 10 percent." Well, that wouldn't be acceptable to the
2 City and the County. That may be the best way to do it,
3 because we don't have a final cost of what that project would
4 be. So, it says you can never do anything except the --
5 except with a firm fixed-price proposal, and that -- I don't
6 know any --

7 MR. WALTERS: And a lot of small jobs are
8 cost-plus. I mean, obviously, big jobs, you get a firm, you
9 know, fixed figure. But, you know, somebody says, "Hey, I
10 need, you know, 250 feet of trench built and some pipe," you
11 know, and they don't know -- well, you don't know what's
12 underneath there. You know, you got to say, "You know what?"
13 Okay, we'll just do it cost-plus."

14 MR. MOSER: Or they'll bid it for twice the price
15 to protect themselves. You'll -- you'll have a lot more
16 expensive proposals than you would otherwise. How about our
17 mowing thing out there? We pay every time it gets mowed. We
18 don't have a firm, fixed price on that.

19 MR. WALTERS: That's true. We don't know the final
20 cost for the year.

21 MR. MOSER: That's right.

22 MR. WALTERS: That --

23 MR. MOSER: It's probably going to be a lot less
24 this year than we think.

25 MR. KING: I guess I just don't understand what

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1 this -- I just don't understand what they want.
2 MR. MOSER: Well, they want -- before they'll --
3 before you can go into any capital project that they'll
4 approve, they want to have a firm fixed-price proposal,
5 period. That's what this says.

6 MR. KING: Let's take this T-hangar deal. We would
7 get some estimated costs from these guys, basically.
8 Estimated costs, but not firm bids?
9 MR. MOSER: Yeah, that's what you typically do,
10 yeah.

11 MR. KING: And we do a return on investment, do
12 some sort of financial analysis.

13 MR. MOSER: Right.

14 MR. KING: Some sort of deal. But under this --
15 under this deal, we'd have to get a firm price for the -- a
16 bid for the concrete, a bid for the steel.

17 MR. MOSER: Right.

18 MR. KING: And, I mean, it would basically be like
19 we were going to start the project tomorrow.

20 MR. MOSER: Right. That's right, before you could
21 move forward. Right.

22 MR. KING: Then we'd --

23 MR. WALTERS: It's reasonable that the City and
24 County want, you know, some -- some budget costs and a cost
25 analysis of a job before they commit to do it.

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1 MR. MOSER: Of course.
2 MR. KING: I agree.
3 MR. COWDEN: Oh, yeah.
4 MR. MOSER: Of course. But not have it such that
5 the only thing left to do is sign it.

6 MR. WALTERS: Right.
7 MR. MOSER: Right.
8 MR. KING: I mean, I think it would be -- like,
9 when we're talking about these T-hangars, Mike Lowe gave us
10 some numbers -- he gave us some numbers on building those
11 T-hangars. I don't think he gave us a bid, did he?

12 MR. MCKENZIE: No. It took him about two and a
13 half weeks to work us up a --
14 MR. KING: Estimated costs. He called some
15 suppliers and stuff. Obviously, his cost is not going to be
16 looked into until they -- he says yes, they're going to build

17 this thing. And he's going to have a 30-day price -- I'm

18 sure, a 30-day price on steel and stuff like that, yeah. I
19 don't know. Any comments by anybody? I don't know. I'm
20 just trying to figure out what -- what --
21 MR. WALTERS: I don't have a problem with their
22 first line, where it says on an annual basis, both parties
23 must review the proposed capital improvement projects.
24 That's fine.
25 MR. MOSER: I think that's good.

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1 MR. WALTERS: And I think even the second line, I
2 don't have a problem.
3 MR. MOSER: I agree with that. It's just the
4 third --
5 MR. WALTERS: But the third line.
6 MR. MOSER: I'm with Corey. I'm with Corey. So,
7 just take out the last sentence?
8 MR. KING: Okay.
9 MR. MOSER: For all the reasons -- all those
10 reasons.
11 MR. KING: I mean, only the projects approved by
12 both shall move forward for bidding. Well, yeah. I mean, if
13 we don't have the money, we got to get the money from them;
14 they got to approve it.
15 MS. BAILEY: That's --
16 MR. KING: So, what's the difference? It's like --
17 MR. MOSER: It says they just want a definitive --
18 MR. KING: Well, anyway, except we already had the
19 money. See you later, Guy.
20 COMMISSIONER OVERBY: Appreciate it.
21 MR. WALTERS: Bye, Guy.
22 MR. KING: We had the money available.
23 MR. MOSER: Just delete the last sentence.
24 MR. KING: We would already --
25 MS. DEJOHN-ERMEY: Steve, is this for any amount of

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1 a capital improvement project?
2 (Cell phone rang: discussion off the record.)

3 MS. BAILEY: The way it's written, 5,000 and above.

4 MS. DEJOHN-ERMEY: Okay, 5,000 and above.

5 MS. BAILEY: Because that's what they changed

6 capital improvements to.

7 MR. COWDEN: Didn't we take that out --

8 MS. BAILEY: But if they leave it the way it is --

9 MR. COWDEN: -- to be consistent with the County?

10 MR. WALTERS: We'd like to keep that back at

11 25,000.

12 MR. MOSER: Okay. So, what we did on that one, we

13 said we agree with the first two sentences of the proposed

14 change, but not the last sentence. The board is prohibited

15 from -- from making any allocation for capital improvements

16 until a final cost is known for the overall project. And

17 you've got -- the reason for that is because it's an undue

18 burden on the contractor's proposal; it limits the amount.

19 It also has a potential for eliminating cost-plus contracts.

20 Therefore, firm, fixed-price proposals will probably be more

21 than some cost-plus, for those reasons. Okay.

22 MR. WALTERS: Final cost can't be determined until

23 the project's totally completed.

24 MR. MOSER: Right, precisely. Okay. Let's see, we

25 got changes on (c) right below that. What's this? I don't

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1 know --

2 MS. BAILEY: Just formatting changes.

3 MR. MOSER: Oh, formatting changes. Okay. So,

4 that's okay. They just put it as a sub-bullet. I got it.

5 And then the next one is Number 6; the board shall amend

6 management services agreement to add a specific value for the

7 services provided, "termination for cause" provision -- lasts

8 one year, but automatically renews.

9 MR. HENNEKE: An attempt to micromanage and dictate

10 the terms of the management contract between the County and

11 the Airport Board.

12 MS. BAILEY: I don't think it's appropriate for

13 this contract to dictate what we do in the other contract,

14 and I agree with Rob on that. Particularly since we're

15 already talking about making the revisions that we talked
16 about in the budget meeting to the management contract, to
17 kind of shrink it down a little bit tighter. It seems silly
18 to mandate different changes in -- in this contract -- the
19 management agreement. I think it makes more sense to say to
20 the City, "Take this Paragraph 6 out." The Airport Board and
21 the County are going to very shortly enter into negotiations
22 on that contract, and so leave it alone for a year and let us
23 get that worked out.

24 MR. MOSER: What this says is we're going to tell
25 you how to do the management services agreement. It could

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1 also say we're going to tell you how to do the mowing
2 services agreement; we're going to tell you how to do all the
3 other agreements, all other potential service agreements.

4 MS. BAILEY: But I think if we reflected to them
5 that they understand their --

6 MR. MOSER: What I'm saying is, why have it in
7 this? That's my question.

8 MS. BAILEY: I agree.

9 MR. MOSER: It's a matter of policy. Why do we
10 want to delineate in here one specific agreement?

11 MS. BAILEY: Yes, I think we -- that's what we're
12 both saying. I think the paragraph needs to come out.

13 MR. MCKENZIE: To delete it. That's up to the
14 board.

15 MS. BAILEY: But what I'm saying is we ask them to
16 delete it. We explain that --

17 MR. MOSER: Right.

18 MS. BAILEY: Yeah, that -- kind of give them a
19 reason of what we're talking about doing. Might give them
20 some level of comfort.

21 MR. MOSER: We're already restricted by \$25,000 --
22 no, that's capital improvement. Forget that. That's another
23 thing.

24 MR. KING: Is that it? I missed that on that deal.
25 What did y'all have on that?

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1 MR. MOSER: We said take that out, because that's

2 -- you know, why single out that one service agreement?

3 MR. KING: Mm-hmm.

4 MR. MOSER: We're already in -- I mean, it's going

5 to be in the budget anyway.

6 MR. KING: We've already said -- I think we've

7 already said to Mike that we -- we're going to ask the --

8 we're going to go through their management contract and look

9 at stuff that's been added -- that's added, you know, that we

10 kind of got on our side of the ledger that was not -- you

11 know, we didn't -- should have been in the management

12 contract.

13 MR. MOSER: What we're going to do is generate a

14 request for proposal that delineates all the service items.

15 MR. KING: Right.

16 MR. MOSER: In fact, I think if we had that, the

17 City wouldn't have an issue with that.

18 MR. KING: Okay.

19 MR. MOSER: That's it.

20 MR. KING: All right. All right. We'll get you

21 guys a letter.

22 MR. MOSER: Okay. So, do we want to have a motion?

23 Was that a --

24 MR. KING: Yeah, we can -- we can do that. Any

25 other questions, Mike, on that deal on our stuff there? I

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1 mean, explain to them we're not -- we're just trying to -- we

2 want just to voice our opinion. We'll voice it in a letter

3 and everything to you guys, and -- and you guys can -- and

4 tell Todd when he gets it, if he has a question, he can get

5 back to either me or Bruce to kind of clarify anything. We

6 can even sit down, have a meeting with him and sit down and

7 go over the different stuff. I took pretty good notes of

8 what everybody said, and we'll go over that. And kind of --

9 you know, I know some of this, I think, coming from Mike

10 Hayes is legal stuff, and it may make some sense if I knew

11 what it meant. If I knew what the -- the idea was behind it.

12 You know, and maybe it's something that he got in his head.

13 And so, anyway, we'll go from there.

14 MR. MOSER: That'd probably be a good idea.

15 MR. KING: I'd be more than happy to do that.

16 Okay.

17 MR. WALTERS: I'll make the motion that we -- we --

18 that the board -- or that the Airport Manager draft a letter

19 to incorporate the changes that the board has discussed here

20 today, and that that letter, after review by you, be then

21 sent to the City Council and County.

22 MR. KING: Right. That will be fine. And I'll add

23 to that, I would like for the complete entire board to sign

24 that letter.

25 MR. MOSER: Second.

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1 MR. KING: Motion and second. Discussion? All in
2 favor?

3 (The motion carried by unanimous vote, 3-0.)

4 MR. KING: Where's Mark? Okay.

5 MR. MOSER: Took a break.

6 MR. KING: Unanimous. All right. That way

7 everybody can sign that thing.

8 MR. MOSER: Yeah, that's good.

9 MR. KING: Everybody's on the same page. Okay,

10 cool. Environmental -- Mooney environmental.

11 MS. BAILEY: Actually, we have some update on that.

12 Bruce had gotten ahold of Clear Springs Consulting, L.L.C.

13 They have made a proposal to do a Phase I environmental

14 assessment for the paint shop, and on Building 17 and 18

15 areas over by Mooney.

16 MR. MOSER: Building 17 and 18 are what?

17 MS. BAILEY: For the paint shop and the Building 17
18 and 18.

19 MR. MOSER: I said what are Building 17 and 18?

20 MS. BAILEY: Oh, that's the two buildings that are

21 adjacent --

22 MR. MOSER: The old thing that needs to be

23 bulldozed? Got you. Okay, thank you.

24 MS. BAILEY: The buildings that -- we want them
25 back, but we don't know if we want them back. The whole

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1 thing as proposed is projected to be around \$2,500. Bruce
2 says that we -- it's RAMP grant eligible, but if we run out
3 of RAMP grant funds, we also have contingency that we could
4 pay for that. So, if the board will approve us to go forward
5 with that, we can get that process started so that we can
6 tell Mooney whether or not we really want them to give it
7 back to us. I've had a pretty lengthy conversation with
8 their attorney -- the attorney for Sienna Corporation, who's
9 the people suing Mooney, as well as with Mooney, and
10 basically I think that if we get a level of comfort on our
11 end that we -- we do want to take it back, there's not an
12 environmental hazard, that I can probably work out something
13 with both of those two entities to get an agreement to get
14 all or part of that section back immediately. Certainly, the
15 paint shop, Building 17 and 18 are a little bit more
16 complicated because of what they have in there, how hard it's
17 going to be for them to move out. At least we can do an
18 incremental beginning of getting some of that back so we can
19 plan the T-hangars over there.

20 MR. WALTERS: You say there is a proposal for -- to
21 do an environmental assessment of both those buildings; is
22 that correct?

23 MR. MCKENZIE: Yes, sir, Phase I.

24 MR. WALTERS: Phase I. Is there not anything in
25 the existing Mooney lease --

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1 MR. MOSER: Good point.
2 MR. WALTERS: -- which would require them to give
3 us an environmental assessment of those buildings?
4 MS. BAILEY: The leases do require that they keep
5 them in good repair, which they haven't done. But I don't
6 think it necessarily -- I don't recall anyplace in the lease
7 where it says they have to do the environmental assessment,
8 but I will look at the lease again.

9 MR. KING: Why don't you ask them if they'll pay
10 for half of it? I mean, it's to their benefit also. They're
11 getting -- they're going to have access to the information, I
12 would assume, the information -- they're going to have access
13 to the environmental assessment of their buildings. They are
14 not our buildings, and they're not giving them to us until we
15 negotiate something with them. I mean, I don't see --

16 MS. BAILEY: That could be part of the negotiation.

17 MR. KING: I don't know why we couldn't ask them
18 for half of it.

19 MR. MOSER: Is the environmental assessment for the
20 building, or is it for the grounds also?

21 MS. BAILEY: The building.

22 MR. MCKENZIE: Building and grounds.

23 MR. MOSER: So, the ground's really the thing.

24 MR. MCKENZIE: Phase I will just tell them if they
25 determine it needs to be; then the invasive part is Phase II.

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1 MS. BAILEY: The caveat on this is on Phase I, they
2 don't go into the ground, so they would be doing nothing
3 other than they would be assessing, for instance, what kind
4 of chemicals have you been spraying in here, so that they
5 know what may have soaked into the ground. But they don't
6 actually do ground testing in Phase I.

7 MR. MOSER: Then it's not of any value.

8 MS. BAILEY: Well, there's --

9 MR. MCKENZIE: The way it's structured with the
10 EPA, you have to do Phase I before you can move to Phase II,
11 and Phase II to Phase III.

12 MR. MOSER: That doesn't tell us anything. If they
13 said you --

14 MR. COWDEN: It eliminates anything that might be
15 clean.

16 MR. WALTERS: Well, but, I mean, shouldn't we --

17 MR. MOSER: What value is that?

18 MR. WALTERS: Say, okay, here's phase -- here's the
19 Phase 1, and if we find this, we're going to move to Phase
20 II, and here's the cost for Phase II.

21 MS. BAILEY: So, you'd really like to know the cost

22 for Phase II.

23 MR. MCKENZIE: You can't determine the cost for

24 Phase II -- back to your point a while back. If you

25 determine there's a plume of contaminated soil, you don't

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1 know how big the plume is. It could be 10 yards or 1,000

2 yards.

3 MR. WALTERS: Right.

4 MS. BAILEY: So they have to do this.

5 MR. WALTERS: Yeah, but they -- I mean, they did

6 their assessment -- I mean, they did their proposal based on

7 the size of the building.

8 MR. MCKENZIE: True.

9 MR. WALTERS: So --

10 MR. MCKENZIE: I can ask him if he can -- once --

11 if we approve this, once he begins this process, if he can

12 determine as he goes through what that Phase II will cost.

13 Back to Tom's point.

14 MS. BAILEY: Let me suggest, so that we don't have

15 to wait another month to come back to get approval, if you

16 want to approve this or go forward with this, you could do

17 something on the basis of we approve a Phase I -- this

18 Phase I assessment if it's in conjunction with the proposed

19 Phase II that doesn't exceed "X" dollars in cost.

20 MR. WALTERS: Oh.

21 MS. BAILEY: That might be --

22 MR. WALTERS: Let me go back first to say, you

23 know, I don't know that we want to approve that. I mean,

24 we've already determined that, you know, we're not going to

25 do T-hangars till 20 --

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1 MR. MOSER: 14.

2 MR. WALTERS: -- 14. So, you know, another month

3 really won't matter.

4 MS. BAILEY: Okay.

5 MR. WALTERS: But -- and I agree with Steve. First

6 I'd like to see if there's something in the Mooney contract
7 that says -- in the lease that says, you know, they're
8 responsible for giving us these things. And if they're not,
9 then Steve's suggesting, hey, see if they'll pay for half.

10 MR. KING: Yeah.

11 MR. MOSER: The entire thing, Ilse, is before they
12 built -- the paint hangar was not built too terribly long
13 ago.

14 MR. MCKENZIE: Probably been there 20 years.

15 MR. MOSER: Has it really? The paint hangar? I
16 thought it was more recent.

17 MR. KING: Yeah.

18 MR. MOSER: Okay.

19 MR. MCKENZIE: It may be older than that.

20 MR. MOSER: I was going to say they probably have
21 restrictions on what they were building consistent with the
22 EPA, but that's probably not true.

23 MR. WALTERS: Now, the other side of that, you
24 know, on the lease is, you know, there's lots of things in
25 the lease that we -- that they should be doing that they

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1 haven't been doing, that we can't really -- we are having a
2 -- because of the --

3 MR. MCKENZIE: Sensitive financial condition.

4 MR. WALTERS: -- sensitive financial condition, and
5 the condition of the premises themselves, the lease premises,
6 that we've been not willing to enforce.

7 MR. KING: I just think I'd ask them. If they'll
8 pay for half, it would be nice.

9 MS. BAILEY: Okay.

10 MR. KING: I mean, they're talking 1,250 bucks.

11 MS. BAILEY: I'll look through the contract, see
12 what kind of language I can find, and give you sort of a
13 summary of what this paragraph requires them to do and so
14 forth. Kind of a --

15 MR. KING: It's a benefit to us, and them also.

16 They're going to find out what the condition is before they
17 start tearing that thing down over there. They're going to

18 have to do some sort of environmental survey to find out what
19 they're tearing down over there and what kind of issues they
20 have over there, because they're not going to be able to put
21 anybody in there, I wouldn't assume. I wouldn't think a
22 construction company would go in there and start tearing that
23 thing down till they had some sort of assessment.

24 MR. MCKENZIE: We probably don't want it until we
25 can see what they're spreading. I think it would be an

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1 advantage to us to ask them to pay for half of it with us;
2 then we'll share the information with them. And -- you know,
3 and then we can make a decision whether we want to move onto
4 a Stage 2 --

5 MR. MOSER: Phase II.

6 MR. KING: -- survey. Okay. Never hurts to ask.

7 You never know.

8 MR. WALTERS: The issue is really going to be --
9 the big issue is what's underneath the ground?

10 MR. MOSER: That's it.

11 MR. KING: To know for sure.

12 MR. MOSER: For sure.

13 MR. KING: Well, and the other building over there
14 is -- probably in the other building, I think there could
15 be --

16 MR. MOSER: 17 and 18; I can't imagine.

17 MR. KING: -- a possibility of mold, asbestos --

18 MR. MOSER: You could bulldoze them. That's all
19 you can do with those. And don't let them snooker you on
20 that test facility; that's no big deal.

21 MS. BAILEY: Well, it's --

22 MR. MOSER: I mean, just -- just say, "Yeah, I hear
23 you." But it's not.

24 MR. KING: Anyway, just ask them if they'll pay for
25 half. Let's try to get some money out of them since we're

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1 giving a good deal. All right. Item 2E, Airport of the Year
2 logo and banner.

3 MR. MCKENZIE: A couple weeks ago, Tom had a great
4 idea. Here's a banner.

5 MR. KING: Yeah.

6 MR. MCKENZIE: We'll hang it on the air side out
7 here between these two inner pillars out here, 265 bucks.

8 MR. KING: All right.

9 MR. MOSER: Just tooting our horn, you know, to
10 people that come in.

11 MR. KING: Are we going to get something from
12 TexDOT? They're going to put a sign up, I know, somewhere.

13 MR. MCKENZIE: I haven't asked. We'll ask Michelle
14 when she gets here in a minute.

15 MR. MOSER: Oh, is that right?

16 MR. KING: Last time they put a sign up.

17 MR. MCKENZIE: 1993, we got a sign up.

18 MR. MOSER: Oh, I didn't know that.

19 MR. KING: Airport of the year, TexDOT Aviation.

20 So, it --

21 MR. MCKENZIE: This is a banner, though that deal

22 on the grounds is a regular road sign. It's a metal sign,
23 Texas Airport of the Year.

24 MR. MOSER: Cool.

25 MR. KING: I remember seeing it when I first moved

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1 here. When was that, 90 --

2 MR. MCKENZIE: '93.

3 MR. WALTERS: Can we get City Council to approve us
4 spending \$265 for that?

5 MR. KING: It's a sign. No, I don't want any part
6 of it.

7 MR. MCKENZIE: And along those lines, --

8 MR. KING: Uh-oh, here we go.

9 MR. MCKENZIE: -- the back of our new sign out here
10 that's blank now, there's a metal rendering of our logo.

11 That's 2011 General Aviation Airport of the Year. We can put
12 that on the back of that sign.

13 MR. KING: As we leave?

14 MR. MCKENZIE: Yes, sir, as you leave, that's what

15 you'll see on the scale. It's to scale.

16 MR. MOSER: If TexDOT's going do to one up there,
17 what I had in mind is people that fly in, fly out, they never
18 go in and out that road.

19 MR. KING: Where'd you get that bid from?

20 MR. McKENZIE: Guadalupe Signs here in town.

21 MR. KING: What about for the banner?

22 MR. McKENZIE: Same.

23 MR. KING: You might talk to San Saba. San Saba
24 might do a better deal. Get two bids. Give -- give me the
25 deal; I'll take it down to what's-his-name.

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1 MR. MOSER: Here you go.

2 MR. KING: And see if he'll give us a bargain
3 basement price for it. He does those things. I'll do that.

4 MR. MOSER: Okay.

5 MR. KING: And we can -- let's talk to Michelle.

6 Let's table this until we talk to Michelle. I was going to
7 put "Thank y'all for coming" on the back of that sign. Just
8 have somebody paint -- you know.

9 MR. McKENZIE: "Welcome to the Hill Country."

10 MR. KING: Something that's cheap, costs like 50
11 bucks.

12 MR. MOSER: Right, "Welcome to the Hill Country" is
13 a good one.

14 MR. KING: Exactly. That's a good idea there,
15 yeah.

16 MR. MOSER: Right.

17 MR. KING: We'll just table that until we talk to
18 Michelle, see if there's anything free we can get. All
19 right, construction update, Item 3A.

20 MR. McKENZIE: Today we are -- he's closing it
21 right now, Taxiway Alpha. We're going to be striping that
22 for the next two days. We're putting the RFP's out for
23 pavement markers, restrictive markers. This Friday is our
24 scheduled -- is our last major inspection. F.A.A. will be
25 down here from Fort Worth. Matt's coming in from Kansas

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1 City, our design engineer, and TexDOT folks will be here for
2 our final -- final inspection.

3 MR. KING: Okay.

4 MR. McKENZIE: So, that's scheduled. That's --

5 they can always have a --

6 MR. KING: All right.

7 MR. McKENZIE: We're sealing that. I'm going to

8 seal -- we're striping that. We're going to seal next

9 Monday, Tuesday, and Wednesday all around this building,

10 behind Hangar 1, the road in front of Brinks hangar up to the

11 fuel farm, Brinks hangar parking, and the road down to the

12 T-hangars. It's RAMP eligible. I'm going to seal

13 everything, restripe it. We're going to try maintain this

14 pavement as long as we can.

15 MR. KING: Okay.

16 MR. McKENZIE: Going to start -- starting Monday

17 morning, going to start moving some of these vehicles. We've

18 got about 100 cars we've got to move, so that will start

19 Monday.

20 MR. KING: Going to restripe the parking lot?

21 MR. McKENZIE: Yes, sir.

22 MR. KING: Move all those cars?

23 MR. McKENZIE: This is four years old; it's just

24 right to seal.

25 MR. KING: How do you think that's going to work?

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1 MR. McKENZIE: We've got keys to all of them. We
2 can't -- we can't fool around with it; we got to go.

3 MR. KING: Yeah.

4 MR. McKENZIE: We'll put them back.

5 MR. KING: Sure.

6 MR. McKENZIE: And I'm going to address the noon

7 Rotary Club, tell them about our airport.

8 MR. KING: Good job. That's great. I got one of

9 those free reflectors from that guy -- did they send you one?

10 MR. McKENZIE: Yeah, I've got one.

11 MR. MOSER: No.

12 MR. KING: One of solar reflectors.
13 MR. MOSER: That's the one you put in your
14 driveway?
15 MR. KING: Yeah. I'm going to put --
16 MR. McKENZIE: I'm going to go ahead about 500 feet
17 like we talked about; we're going to experiment.
18 MR. KING: Maybe they'll give us some more free
19 ones. We have some free ones.
20 MR. McKENZIE: We'll get that out so we can look at
21 them for 90 days; we'll see what they look like.
22 MR. KING: Okay. All right.
23 MR. WALTERS: Bruce, what's the status of this
24 contractor repairing this road?
25 MR. McKENZIE: That's on the punch list, Corey.

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1 And I've talked to them three times about it, and I finally
2 got the engineer involved in it because I was not getting a
3 satisfactory answer. It's got a rough spot. It's got a
4 significant bump in it.

5 MR. WALTERS: I think it's -- I mean, I think the
6 guy just did a really poor job. He's been paid totally,
7 correct?

8 MR. McKENZIE: There's still retainage, yeah.
9 MR. WALTERS: If there's retainage, I think we need
10 to keep it, 'cause I think -- I think where the two come
11 together where they tore it all up where they were making
12 their cut through, that the job -- I mean, it doesn't blend
13 well with the existing pavement. I think there's -- you
14 know, the edge where, you know, it's uneven from the -- from
15 the grass, it's not smooth. There's, you know, holes in it.

16 MR. McKENZIE: You can see --
17 MR. WALTERS: Potholes.
18 MR. McKENZIE: You can see base material in there.
19 MR. KING: I agree.
20 MR. McKENZIE: When they come for this final
21 walk-through, that's -- I've already talked to Matt.
22 MR. KING: They promised us a new road out of that
23 deal.

24 MR. WALTERS: That's what we got, too.

25 MR. McKENZIE: That's what we got.

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1 MR. WALTERS: That's what he says is a new road.

2 MR. KING: I'm saying it's not.

3 MR. McKENZIE: To your point, that's on the list.

4 MR. KING: Looks like he threw down some tar and

5 just gravel and --

6 MR. McKENZIE: It was windy, and the day they paved

7 that it was cool.

8 MR. KING: I think it's a good base coat, but I

9 think he needs to put --

10 MR. WALTERS: That's what I thought it was.

11 MR. KING: Personally, I thought when they were

12 hot-mixing all this, I thought they might take that thing up

13 there, run hot mix across it. But --

14 MR. McKENZIE: It's about \$110 a ton.

15 MR. KING: -- they didn't do that.

16 MR. WALTERS: I mean, I thought, well, looks like

17 it's still got another inch and a half overlay that it needs

18 on top of it.

19 MR. KING: Right.

20 MR. McKENZIE: We're working on it.

21 MR. KING: How much are we holding back?

22 MR. McKENZIE: 10 percent. It's about -- well,

23 five -- 400-something thousand dollars we still got, we're

24 holding of it.

25 MR. KING: We should be able to get it done for

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1 that.

2 MR. McKENZIE: That's what the State's holding, oh,

3 yeah.

4 MR. KING: Are they?

5 MR. McKENZIE: That was the last -- at the last

6 draw.

7 MR. KING: They won't release that?

8 MR. McKENZIE: What the problem is, you have to

9 have 70 percent cover on this grass out here. We got 55

10 acres out there that are not going to grow.

11 MR. MOSER: You're not going to get it.

12 MR. McKENZIE: Going to have to come to terms on

13 that, because that's not going to grow.

14 MR. WALTERS: If they come to terms on that grass,

15 that means that they're going to pay, and we're still sitting

16 here --

17 MR. McKENZIE: No, that's where I'm in the middle

18 of them right there.

19 MR. KING: Just don't let Michelle and them pay

20 them. Tell Michelle don't pay these guys; we still have an

21 issue with it. I mean, I don't want them going around and

22 saying that it's all okay, and we end up with a road here

23 that we're going to have to spend \$30,000 on to fix.

24 MR. McKENZIE: I agree.

25 MR. KING: That he tore up.

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1 MR. McKENZIE: I agree.

2 MR. KING: Tore up. Okay. All right. Just stay

3 on that.

4 MR. McKENZIE: That's all. Okay.

5 MR. KING: Don't let him fly. Okay. All right.

6 Motion to adjourn?

7 MR. MOSER: So moved.

8 MR. KING: All in favor?

9 MR. COWDEN: Second.

10 MR. KING: Seconded by Mr. Cowden. All in favor?

11 Aye.

12 (The motion carried by unanimous vote.)

13 MR. KING: Unanimous. Thank you, guys.

14 (Airport Board meeting was adjourned at 10:39 a.m.)

15 STATE OF TEXAS |

16 COUNTY OF KERR |

17 I, Kathy Banik, official reporter for Kerr County,

18 Texas, do hereby certify that the above and foregoing is a

19 true and complete transcription of my stenotype notes taken

20 at the time and place heretofore set forth.

21 DATED at Kerrville, Texas, this 5th day of July, 2011.

22 _____
23 Kathy Banik, Texas CSR # 6483
24 Expiration Date: 12/31/12
25 Official Court Reporter
26 Kerr County, Texas
27 700 Main Street
28 Kerrville, Texas 78028
29 Phone: 830-792-2295

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